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Bethlehem Steel Company

What Congress has done concerning a government..

South Bethlehem, Pa.

[1916]

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Bethlehem steel company, ~~South Bethlehem, Pa.~~

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What Congress Has Done

Concerning A

Government Armor Plant

and

What People Are Thinking About It

SEP 27 1918

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What People Are Thinking About It

Published by

Bethlehem Steel Company

South Bethlehem, Pa.

Robert L. Stillson Company
New York

What Congress Has Done Concerning a Government Armor Plant and What People Are Thinking About It

To the People:

The Naval Appropriation Bill now before a Joint Committee of the House of Representatives and the Senate carries an appropriation of $11,000,000 to build a Government armor plant.

Both Houses of Congress have rejected propositions to save that amount of money in spite of the fact that—

We have formally offered to manufacture armor for the United States at cost plus such charges for overhead expenses, depreciation, etc., as the Federal Trade Commission might determine to be fair.

In other words, we have offered to make armor at the Government's own price.

Rear-Admiral Strauss, Chief of the Naval Bureau of Ordnance, said, at a hearing before the Senate Committee on Naval Affairs on January 25:

"If the private firms will furnish armor at a fair profit and will continue to do so under all conditions, I see no especial advantage to the Government in going into the business."

SENATOR TILLMAN, while conducting the recent inquiry into the cost of armor, very accurately stated:

"If the Government enters into its own armor manufacture itself, it will destroy your business, in that respect at least."

"It would be much better if we should have the manufacturers supply the Government at a reasonable price."

In spite of all the foregoing, both the Senate and the House insisted upon the Government armor plate adventure.

Both houses of Congress also voted down propositions to empower the Federal Trade Commission to determine a fair price for armor and allow private manufacturers opportunity to meet that price before the Government built its plant.

The Refusal to Listen

This was one proposition turned down by the House on May 31, 1916, and by the Senate on July 19, 1916:

"The Federal Trade Commission is hereby directed, immediately after the passage of this act, and annually thereafter, upon the request of the Secretary of the Navy, to investigate and inventory the armor-plate plants of the United States, examine their books, and estimate and determine the average full cost of producing armor plate at said plants under the four following conditions, to wit:

"(a) Plants running at full capacity.
"(b) Plants running at two-thirds capacity.
"(c) Plants running at half capacity.
"(d) Plants running at one-third capacity.

"If the manufacturers of armor plate shall refuse the Federal Trade Commission full opportunity for examination and investigation as above mentioned, the said appropriation for the erection of an armor-plate factory or factories shall be immediately available for that purpose; but if such opportunity shall be afforded the said commission, it shall at once determine the full cost of producing armor plate at said plants, and shall immediately report to the Secretary of the Navy a fair and reasonable price the Government shall pay for its armor plate.

"Upon the receipt of such report the Secretary of the Navy is hereby authorized to enter into a contract or contracts for armor plate to meet the needs of the Government, now or hereafter, at or below the price per ton so reported as the fair price for the proportion which the tonnage awarded bears to the aggregate capacity of the plants, and the appropriation hereby made for the erection or purchase of an armor-plate plant shall not be used for that purpose until the said report has been made to the Secretary of the Navy, and the manufacturers of armor plate have failed within 30 days after notice of such report, to accept the same and to enter into a contract or contracts for the manufacture of said armor plate to provide for the then requirements of the Government, as specified by the Secretary of the Navy, at or below the price per ton so reported by said commission."

The Refusal to Know

It has been alleged that a Government armor plant would save the Government money.

If so, isn't it worth while to find out exactly what the facts will prove to be?

Yet, both the House and Senate declined to accept this amendment to the armor plant proposition:

That expert chartered accountants shall be employed to open a set of books which shall exhibit every item of expense, direct and collateral, which may be charged against the preparation of the plans, the selection and purchase of a site, the construction and equipment of the proposed plant and the cost per ton of the output for each month of the operation of the plant.

Refusal to institute an adequate cost accounting scheme means that the people will never know what Government-made armor costs.

The bill is still before the Conference Committee of the House and Senate.

It is still possible to so amend the measure as to protect the public interest.

Our interest is in protecting our plant—built for the use of the United States Government and useless for any other purpose.

A Government plant of 20,000 tons capacity makes our plant useless.

The solution of armor plant manufacture is regulation—not extinction of private enterprise.

When the people felt that the railroad rates should be controlled, they gave necessary power to the Interstate Commerce Commission; they did not build Government railroads to supplant those already existing.

We have been seeking to bring our case before the public.

We are so confident of its strength that we feel it will bear unlimited ventilation and discussion.

THE PEOPLE, TOO, ARE THINKING.

What some of them think is indicated by the editorial comment herein re-published.

Bethlehem Steel Company

CHAS. M. SCHWAB, Chairman
EUGENE G. GRACE, President

What People Are Thinking

To Members of Congress and the Public:

Herewith are editorial comments from newspapers throughout the United States.

The Bethlehem Steel Company has been seeking frankly, earnestly and aggressively to present to the people of the United States the reasons against building a Government armor plant. The Company has done this for an admittedly selfish reason which we believe is also in the interest of the people of the United States.

When our campaign of publicity was instituted, the editorial sentiment of the country was almost unanimously suspicious or antagonistic.

We have felt, however, that our position was so strong that it could stand candid presentation. We have believed that once Congress and the people realized the facts which had been so much misunderstood both in Congress and elsewhere, the public would see that our position was sound.

Examination of the editorials published in the press of the whole country indicates a distinct sentiment on the part of the public that—

> **The way to deal with the manufacturers of armor is not by smothering private enterprise and by confiscating private investment, but by Government investigation of the facts and regulation of the industry in the public interest.**

The people, we believe, now realize that our proposition is fair, and that our offer to the United States Government to make armor-plate upon the Government's own terms is a proposition not only of enlightened self-interest but in the broadest public interest.

Bethlehem Steel Company

CHAS. M. SCHWAB, Chairman
EUGENE G. GRACE, President

South Bethlehem, Pa.
August 12, 1916.

What People Are Thinking—Editorial Comment

Alabama

Birmingham News, March 23, 1916

THE BETHLEHEM STEEL PROPOSAL: AN ELEVENTH HOUR REPENTANCE

. . . That reduces the proposal to one of perfect fairness. If it is an eleventh-hour repentance and done only for the sake of self-preservation, the fairness of it as a business proposition is not altered.

The offer of President Grace would seem to be all that could be expected of business men. Whatever foolish threat was made by the manufacturers prior to the passage of the Senate bill need not be considered by that body.

The latest offer of the Bethlehem corporation deserves consideration, since it may mean a great saving to the people of the United States.

It is a business proposition, pure and simple, and should be treated as such.

If the $11,000,000 provided in the Senate bill will erect a plant of sufficient capacity to produce all the armor plate necessary for the five-year naval program, well and good.

But if the Congress can secure a price from the private plants equal to what it would cost the Government to manufacture the plate, or a fraction more, it would seem to be an economical plan to let the private plants go ahead with the work.

If the work can be done at less cost by private corporations who have the necessary equipment installed, the question assumes a new aspect entirely.

Eleven million dollars, it occurs to us, is well worth saving. Eleven million dollars is enough to build a first-class battleship.

Birmingham Ledger, April 19, 1916

ANY ARMOR PLATE DEBATE SEEMS USELESS

. . . Those of us who do not know all the inside facts are inclined to think the Bethlehem company reasonable when it offers to make the plates under Government direction, at Government prices, for an indefinite period.

That looks reasonable. There is no good reason why the government should destroy a perfectly good armor plant and build another, if the above proposition holds good. Col. Hiliary A. Herbert, as Secretary of the Navy, said:

"The two armor contractors," the Bethlehem plant and another, "entered the business at the request of the navy."

That $7,000,000 plant is surely good enough to make armor, and if the company is willing to make it at navy prices under navy specifications that ought to settle the armor plate debate definitely and at once. . . .

> **The latest offer of the Bethlehem corporation deserves consideration, since it may mean a great saving to the people of the United States.**
>
> *—Birmingham News*
> *March 23, 1916*

Arizona

Bisbee Review, July 25, 1916
Elyria, Ohio, Telegram, July 22, 1916

THE SUBSTITUTE FOR LOBBYING

. . . As evidence of their good faith, they offer to continue supplying the armor needed for warships at whatever price a disinterested commission shall pronounce fair.

Whatever may be the merit of their arguments, the important fact about the whole business is that the great Bethlehem Steel Company chooses this method of getting at Congress. There was a time not many years ago when any corporation with a grievance to air or a favor to ask would operate secretly at the national capital through paid lobbyists. Now the corporations appeal direct to the people, through the medium of the press.

Instead of secret "influence" and corruption, there is publicity. Instead of trying to cheat the public, they try to persuade the public with statements made by responsible men, easily refuted if they are untrue. And the new method represents an enormous improvement in the relations between the corporations and the nation. . . .

California

Stockton Mail, April 4, 1916

A THREAT IS SUFFICIENT

. . . No one can find fault with this offer to do business on a fair margin of profit, and it is not unlikely that it will be accepted by Congress.

That the Government has for years been robbed of $30 or more a ton on armor plate is obvious, but if it can force the private plants to supply its needs for a reasonable consideration and thereby save the $11,000,000 which would have to be expended to build a factory, it ought to do so. . . .

* * *

[*If the Government accepts our offer to make armor plate at a price the Federal Trade Commission shall fix, it is obvious that investigation by the Federal Trade Commission will determine whether or not the Government has been robbed in the past.*

Is it conceivable that we would agree to such a proposition if we did not honestly believe that a thorough examination would show that our prices in the past have been reasonable?

Bethlehem Steel Company.]

Modesto Herald, April 8, 1916

PUBLIC OPINION COURTED THESE DAYS

If the advance of popular Government has done nothing else, it has surely demonstrated the value of publicity.

In the old days, the big corporations and the legislators who represented them had little use for publicity.

Their main object was to keep the people in ignorance of what was going on and for public opinion they didn't give a hang.

Now all is changed. The people awakened several years ago and took a hand in the affairs of state and nation.

The interests, so-called, also awakened and began to realize that public opinion was a great power.

Instead of seeking the dark places they fell all over themselves to get public opinion their way and they are still at it, fairly deluging the press and public with facts and figures showing their side of any matter that might be under discussion. . . .

The same change of attitude is true of national affairs. Just now the national Government is considering the matter of a Government-owned armor plate factory.

A few years ago the details of the matter would have been kept very quiet and very likely the bill

Why a politically-built and politically-managed plant to build armor plate?

Why tax the people to build a monopoly to crush the armor-plate industry now carried on by private parties?

Besides the Government can do nothing cheaper than individuals or corporations.

—*Los Angeles Times, July 7, 1916*

California—Continued

would have been quietly killed without the public being consulted. In fact, the public would probably never have known that such a matter was before Congress.

But these are days in which publicity is courted and every day brings to every newspaper office in the land an open letter from the Bethlehem Steel Company, giving facts and figures why the Government should not own its own armor plate factory.

And in order to give weight to the argument, the Bethlehem Steel Company announces in these letters that it is willing to reduce the price of armor plate to the Government from $425 a ton to $395 a ton. (The weightiest argument for a Government plant was the price, which was claimed to be higher than charged foreign powers.)

In answer to this it was argued that should this offer be accepted and the Government plant not be built, the price of armor would soon start soaring again.

Now comes the Bethlehem Steel Company with another open letter to the members of Congress and, through the press, to the American people, in which it says, "We will agree to make armor at the reduced price named, for at least five years; or we will agree for an indefinite period to make armor at any price which the Federal Trade Commission may name as fair."

Imagine the steel trust coming out in the open with an offer like this before the days of regulation and the "freak" legislation which Big Business has cried so much about.

Verily, times have changed. The people are at least consulted now, even if they don't rule altogether.

Colorado

Colorado Springs Gazette, June 3, 1916

JUST A BIT TOO LATE

The Bethlehem Steel Company has been just a bit too late in its adoption of the policy of publicity.

It conducted an able fight against the armor plate plant provision of the naval bill, and proved to the entire satisfaction of clear-thinking individuals that the expenditure would be utterly useless; but, nevertheless, the House, sitting as a committee of the whole, has passed by a vote of 165 to 91 the amendment to the naval appropriation bill carrying the $11,000,000 for this Government enterprise. . . .

. . . But the policy came too late, and it is to be regretted. There was not time enough to bring any considerable public opinion to bear upon Congress.

Though, in view of what has happened in the case of the Army and Navy bills, and other measures recently, it is doubtful anyway whether congressmen can be persuaded or forced to do other than as they personally desire—which is to grab all the "pie" in sight while they can.

The House refused to take note of the fact that the Bethlehem Company, working on a continuous order, could manufacture armor plate much cheaper than could the Government; that it offered to produce the plate for any price named by a Government Commission; that it would be forced out of business should the new plant be constructed, thus depriving the nation of the benefits of plants well able to care for all the work that would come with an emergency, which the Government plant cannot do.

The Federal plant had not a leg to stand on, but that made no difference to the House and the Senate.

There was a chance to vote away millions, and such a chance could not be passed by.

> **The Federal plant had not a leg to stand on.**
>
> *—Colorado Springs Gazette June 3, 1916*

Denver Rocky Mountain News, June 1, 1916

THE NEW WAY OF LOBBYING

A new method of lobbying is developing popularity with those who have projects to further and interests to protect in which the public is concerned.

It is a vast improvement over the old methods which ignored the public and sought to persuade their representatives by subterranean avenues of approach.

The Bethlehem Steel Company is telling the people of the country why it is opposed to a Government armor plant and what it is willing to do in supplying the Government with armor.

There is much to commend in this direct and open policy of lobbying among the people. It is a psychologically good policy.

It bears the impress of frankness; it compliments the intelligence of the public; it disarms much criticism that would be aroused by the secretive methods that were once the only methods employed.

But, perhaps, the most significant fact suggested by this popular lobby is the development of a better atmosphere in business and politics, an atmosphere in which the old-time lobbyist can no longer breathe freely and work effectively.

It is no new thing for business interests to seek the shaping of favorable public opinion, but in former days the work was done by means more subtle and less honorable.

Purchasable newspapers disguised the ulterior motive in editorial appeals that pretended to be disinterested. Most of them have gone the way they deserved to go, paying the penalty for their betrayal. Any that remain live from hand to mouth and exercise no appreciable influence.

The people have become wise. And so business now talks openly, over its own signature, and wins the respectful hearing to which its better attitude entitles it.

The agitation, the exposures, the muckraking of the last two decades have been disturbing, but the net result is wholesome.

We have made progress, and the new way of lobbying is one of the evidences.

Connecticut

New Haven Journal Courier, March 24, 1916

A WISE UNDERTAKING

There is serious question as to the wisdom of Government ownership of an armor-plate plant.

At the very thought visions of more pork in the barrel rise up. The inefficiency and waste with which Government ownership is commonly associated are disturbing probabilities.

If our program of increased defenses calls for extensive manufacture of armor-plate for the navy and munitions for the army, the whole subject of private and Government direction will in all probability be debated and determined.

Should it be found that private ownership would make unfair exactions upon the federal treasury, a way would have to be devised to put a stop to it.

Certainly a lack of consideration for the nation's expenditures would not be tolerable.

But is the first step which Congress appeared to be taking toward meeting this situation as safe and sane as it ought to be? It does not seem so.

Bridgeport Telegram, March 27, 1916

ROARING FOR MERCY

. . . There is no particular need for a Government plant, provided that existing private plants are willing to manufacture armor plate of the requisite quality at a price which is reasonable.

The demand for a Government-owned plant exists only because the armor trust in the past has not been reasonable, but has demanded exorbitant profits. . .

* * *

[*We believe that our prices in the past have been reasonable. Certainly they have been less than has been paid for armor by any of the other great naval powers. At any rate, under our offer the Government is absolutely protected.*

Bethlehem Steel Company.]

Hartford Courant, May 4, 1916

ELEVEN MILLIONS FOR A FAD

. . . The appropriation for this proposed Government plant is $4,000,000 larger than the cost of the Bethlehem Steel Company's armor plant.

The Bethlehem people make a formal offer of the use of their plant at cost prices. Cost prices are all that we could get out of this $11,000,000 Government-owned plant, and these prices we can get out of the Bethlehem plant.

By using this Bethlehem plant we can avoid spending over again the $7,000,000 which this Bethlehem plant cost, and also the $4,000,000 extra which this bill adds to $7,000,000 as the cost of a Government plant.

If it is economy that we are after, the way to secure it is to use the armor plate plants that we now have, and devote this $11,000,000 to some public purpose that has no fad of Government ownership behind it.

If it is economy that we are after, the way to secure it is to use the armor plate plants that we now have, and devote this $11,000,000 to some public purpose that has no fad of Government ownership behind it.

—Hartford Courant
May 4, 1916

Delaware

Wilmington Every Evening, April 4, 1916

THE GOVERNMENT AND ARMOR PLATE

. . . And there is not a citizen of ordinary intelligence who will not come to the conclusion, no matter what he may express openly, that the best interests of the Government and the people would be served by an acceptance of the steel company's offer.

How governments in general conduct operations of this character is well known.

Government operation of such enterprises almost invariably is more expensive and less effective than private operation.

A Government plant would make armor plate more expensive, not cheaper.

Congress will render the public no service, but inflict injury upon it, by engaging in the proposed venture.

A Government armor plant would make armor plate more expensive, not cheaper.

—Wilmington Every Evening
April 4, 1916

District of Columbia

Washington Post, May 25, 1916

THE ARMOR PLATE ISSUE

. . . There is no logic in the demand for an armor plate plant.

The only purpose it could serve would be to give further encouragement to those who are advocating Government ownership all along the line.

It will be a costly experiment. There is not the slightest assurance that the cost of manufacture at a Government plant would be as low as the cost of manufacture at the well-organized and experienced private plants.

The Butler amendment will not merely save the Government $11,000,000, but may actually save several million dollars annually in equipment.

Washington Post, April 12, 1916

NO NEED NOW FOR A GOVERNMENT ARMOR PLATE PLANT

The published statement of the Bethlehem Steel Company addressed to the members of Congress covers so fully the entire armor plate situation and is so eminently fair to the Government, so extremely favorable for the country, that it has left the proposition to establish a Government armor plate plant **without a foot to stand upon.**

With this most open and frank statement of the company before the people of the United States, there is not left the slightest justification for any expenditure by the Government for such plant, and in this time of deficient revenues and heavy expenditures for imperative needs of the country, it leaves no room for indulgence in appropriation of millions of dollars for experimental exploitations in the domain of manufacturing. . . .

> It will be a costly experiment. There is not the slightest assurance that the cost of manufacture at a Government plant would be as low as the cost of manufacture at the well-organized and experienced private plants.
>
> —*Washington Post, May 25, 1916*

Georgia

Atlanta Constitution, May 25, 1916

THE RIGHT WAY TO DO IT

The Bethlehem Steel Company has begun a series of advertisements in more than three thousand daily and weekly newspapers in the United States, with a view to informing the public upon its side of the controversy growing of the proposition looking to the establishment of a Government armor plant.

In the first advertisement of the series it calls attention to the fact that the United States is now buying armor plate from the private manufacturers at a price less than that paid by any other of the great naval powers; and it asks why the Federal Government should invest $11,000,000 in a plant under these circumstances when, after the initial expenditure is made, it can manufacture armor plate no cheaper than it can buy it.

The assertions in this statement are evidently to be amplified with evidence supporting them in the campaign which the Bethlehem Company has undertaken.

The company is no doubt assured of the justness and correctness of its position, else it would not have set out to attempt to educate the people of the United States to its contention.

The Bethlehem Steel Company adopted and is pursuing the correct policy.

The American public is not an unfair or a prejudiced court.

Given both sides of a problem, it makes up its mind on the basis of the evidence presented, and ballot box decisions following free and complete discussion never go far wrong.

Failure to take the public into their confidence has been the stumbling block of railroad and other corporations throughout the country on more than one occasion.

There is no doubt that the public is suspicious; mystery and secrecy have always been the greatest cause for imputation of venality and criminality.

The Pennsylvania Railroad Company has made more friends not only in its own territory, but the country over, through its policy of inviting the public confidence through the newspapers, than it could have done by any other method in a thousand years.

Other corporations which have tried this system have discovered the advantages of it.

These advantages and opportunities are there for those who will take them. . .

. . . How much better would be the relations between the people and all of the great corporations that serve them if the corporations would but get this viewpoint and act upon it.

Savannah News, May 24, 1916

FRANK TALK TO THE PUBLIC

In the past it has happened a good many times that whenever anybody wished to get his side of a controversy before the public he wrote a letter to a newspaper to be published free of charge, or sought to have himself interviewed, at no cost to himself.

And where there was real news value in the letter or the subject matter of the interview the newspaper was glad to publish it; but the complaisance of the newspaper was abused and used until, as every newspaper man knows, this matter of giving away space to anybody and everybody for the airing of his private views and for his private profit became a nuisance—and a costly one, to the newspaper, at that.

Because of all this, it is worth while to call attention to the policy of the Bethlehem Steel Company in which Charles M. Schwab is the principal figure.

This company is opposed to the building of an $11,000,000 armor plate factory by the Government.

As to whether it is right or wrong, or whether the Government should or should not build the plant, this present discussion is not concerned.

The important thing, at this moment, is that the company, instead of hiring a press agent to work off on the newspapers of the country a lot of publicity stuff, to be printed free and handed to the public as news, is buying such newspaper space as it thinks it needs and is stating its position frankly and squarely in what, as is apparent to everybody's eyes, is an advertisement.

Georgia—Continued

It may be that the public will not agree with the Bethlehem Company and it may be that it will; but, either way, it will know that the company has come before it and is saying its own say and paying for the privilege of saying it; and is not endeavoring to slip something into a newspaper that is an advertisement of the Bethlehem Company but apparently is a news item.

Some persons and some concerns frankly try to "work" the newspapers; other persons—perhaps because the abuse has been permitted so long—actually think they have the right to use the newspapers to publish something of interest to themselves alone, that will put money into their pockets.

A vivid contrast with either of these classes is very refreshing.

The Bethlehem Steel Company adopted and is pursuing the correct policy.

The American public is not an unfair or a prejudiced court.

Given both sides of a problem, it makes up its mind on the basis of the evidence presented, and . . . . decisions following free and complete discussion never go far wrong.

—Atlanta Constitution
May 25, 1916

Illinois

Chicago Herald, March 26, 1916

REDUCTION IN ARMOR PLATE COST

. . . Several papers see in the new offer a direct result from the Government's tentative plan to disregard armor plate manufacturers and join the New York World in referring to the manufacturers as the "chastened armor plate trust."

The World thinks the offer fair, says that private manufacture should be encouraged, and that Government plants "are not an end in themselves, but only a means to important ends."

So long, therefore, thinks the World, as manufacturers do not seek to extort unwarranted profits from the Government, and are willing to do the Government's work properly and expeditiously, there need be no talk of Government endeavor in this direction. . . .

Chicago News, May 26, 1916

GOING TO THE PEOPLE

Big business concerns which have extensive relations with the Federal Government should adopt the excellent new policy now being followed by the Bethlehem Steel Company.

It is going to the people to present its case instead of resorting to the old practice of employing lobbyists to work under cover.

Mr. Schwab's great corporation admits that heretofore it has made a mistake in keeping silent.

It promises to adhere no longer to that mistaken policy.

The Bethlehem Steel Company has been supplying the Government with armor plate for battleships.

It has in existence a valuable plant, useful primarily only for the purpose of making armor plate for the United States Navy.

Members of Congress assert that the prices charged for armor plate by the company were exorbitant.

There is pending in Congress a measure authorizing the establishment of a Government armor plate plant to cost $11,000,000.

Passage of this measure would serve to reduce very much, if not destroy, the value of the armor plate plant of the Bethlehem Steel Company.

The officers of the corporation assert that they are prepared to manufacture armor plate for the United States at prices which the Government itself shall fix as being fair.

They argue, therefore, that for the Government to go into the armor plate business would be both a waste of public funds and an injustice to the American citizens who have made a large investment in an armor plate plant.

Whatever the merits of this controversy may be, the officers of the Bethlehem Steel Company are to be commended for taking the discussion of the issues involved frankly to the American people.

In return for this showing of frankness and of confidence in the people's desire that justice

Certainly it is the worst possible policy for the Government to go to manufacturing armor plate if it can get a satisfactory product at an honest price from a manufacturing concern equipped to perform the service.

—Chicago News, May 26, 1916

Illinois—Continued

shall prevail, the people ought to study the arguments presented to them by the corporation.

Certainly it is the worst possible policy for the Government to go to manufacturing armor plate if it can get a satisfactory product at an honest price from a manufacturing concern already equipped to perform the service.

Chicago Herald, May 27, 1916

A BUSINESS PROPOSITION

The Bethlehem Steel Company, in advertisements it is now publishing, frankly admits that it has made a mistake in business policy.

The mistake was in keeping quiet under repeated accusations that the armor manufacturers have "gouged" the Government.

These accusations have so often been made without public refutation that they have come to be believed.

As a result the Senate has passed a bill proposing to spend $11,000,000 as a starter on an armor plant.

We are not dependent on the assertions of armor makers for evidence that the United States has been paying less for armor than other nations. Senator Weeks, in a comprehensive speech on March 16, in opposition to the pending bill, showed from official records that armor prices the year before the war were: In Austria, $511 a ton; in Russia, $510; in England, $503; in Germany and Japan $490; in France, $460; in the United States, $425.

In view of the fact that wages are lower in all these countries than here, it seems clear that the margins of profit obtained by the American makers are by no means excessive.

The Bethlehem Steel Company publicly offers to make armor for an indefinite period at whatever price the Government shall fix.

It is difficult to imagine a fairer business proposition than that.

In the light of it the sinking of $11,000,000, just as a starter, in a Government plant will be hard to justify to the business sense of the American people.

Chicago News, July 6, 1916

THE COST OF ARMOR PLATE

In its latest announcement to the public on the subject of armor plate the Bethlehem Steel Company presents an appeal for desirable publicity. It is an appeal that cannot permanently be ignored by interested lawmakers at Washington.

The national House of Representatives has passed the measure appropriating $11,000,000 for the construction of a Government plant for the manufacture of armor plate.

An amendment providing that books be so kept in connection with the plant as to show exactly how much armor plate costs when made by the Government was voted down.

In commenting on this action the Bethlehem Steel Company says: "Advocates of a Government plant expect to get armor cheaper. Why, then, refuse to look facts in the face?" The people, as the company asserts, are entitled to know the exact cost of the Government-made product.

This demand for publicity should meet with public approval, even though it is made by a private concern that admittedly has an interest in preventing the Government from going into the armor plate business on its own account.

> It is difficult to imagine a fairer business proposition than that.
>
> —*Chicago Herald*
> *May 27, 1916*

Illinois—Continued

> If the steel companies are willing to go two-thirds of the way, it would seem as though the administration might manage to hobble the other one-third and see if they cannot get together and save some of the public funds.
>
> —*Peoria Star, June 1, 1916*

If the armor plate plant appropriation is to be approved by the Senate, that body at least should insist upon the adoption of accounting methods showing whether the venture is wise from a commercial point of view.

The Government should let the people know how undertakings managed by it directly affect the interests of the taxpayers.

Chicago News, July 18, 1916

A CHANGED ATTITUDE

Charlie Schwab's paid advertisements explaining the position of the Bethlehem Steel Company in regard to armor plate sold to the United States and foreign governments show how far the big men of this day have departed from the "public be blanked" attitude of an older time.

Chicago Record Herald, July 20, 1916

THE SENATE AND THE NAVY

. . . In view of the public offers made by the Bethlehem Steel Company it would certainly be wise to investigate farther before sinking $11,000,000, which will be only a starter, in a Government armor plate mill.

The experience of the British Government at this time shows how unwise it would have been for it to have engaged in making its own ship armor.

When a Government goes into such a highly specialized industry, for which it is the only customer, private enterprise is driven out for lack of customers, **and the national resources are impaired rather than improved. . . .**

Peoria Transcript, April 16, 1916

PUBLICITY THE BEST POLICY

The Bethlehem Steel Company, in Circular No. 9, makes this significant statement:

"The mistake of the Bethlehem Steel Company has been that it kept quiet. We have allowed irresponsible assertions to be made for so long without denial

Illinois—Continued

that many people believe them now to be proven facts."

Without considering the merits of the steel company's argument against the proposed Government armor plant, the confession merits comment. The same belated conclusion was reached by the railroads of the country and by many public utilities which despaired of getting a square deal from political lobbyists and public office-holders.

Nothing is gained by a corporation which yields supinely to misrepresentations and abuse.

The people not only are the final judges of corporate action, but they are the most merciful ones when the facts are substantially submitted and reiterated with such frequency as to fix them in the public mind. . . .

Peoria Star, June 1, 1916

ARMOR PLATE

. . . Inasmuch as the Bethlehem Steel Company is now willing to do everything the Government wants and will do it at the Government's price, it would seem to the average man that the best thing the Government can do is to forget the past and take advantage of the future.

If the steel companies are willing to go two-thirds of the way, it would seem as though the administration might manage to hobble the other one-third and see if they cannot get together and save some of the public funds.

The people are paying a war tax of nearly a hundred million dollars a year now.

Why keep adding to it?

The Rockford Register Gazette, May 23, 1916

"PORK" IN THE ARMOR BILL

. . . The Bethlehem Company makes the plain assertion that a Government plant cannot make armor any cheaper than it can make it, and the Bethlehem Company is prepared to manufacture armor at any price which the Government itself shall name as fair.

This being true, why should $11,000,000 of the people's money be wasted to build a Government plant? . . .

. . . The Government has enough on hand to attend to now, and the people are already too heavily burdened with taxes to justify any expensive experiments on the part of Uncle Sam.

The Bethlehem Company has a tremendous investment and is a heavy employer of labor.

It understands the armor plate business better and more thoroughly than the Government can understand it after it has had years of costly experience.

The House of Representatives should defeat this Democratic "pork" bill.

Elgin News, April 4, 1916

PATRIOTS

Not all the patriots of the land are in the halls of Congress nor in politics. In case of stress there are many men outside that would be of far more service to this Government than any or all of those that have so much to say against big men and the big business they have built up.

For instance here is the offer made to the Government by the Bethlehem Steel Company in regard to armor plate which the Government proposes to manufacture itself: . . .

The Government has enough on hand to attend to now, and the people are already too heavily burdened with taxes to justify any expensive experiments on the part of Uncle Sam.

—The Rockford Register Gazette, May 23, 1916

Indiana

Indianapolis News, April 24, 1916

THE BETHLEHEM ARMOR ARGUMENT

The Bethlehem Steel Company is spending a considerable sum of money on printing and postage.

It has on its mailing list, presumably, every newspaper of any consequence, and every congressman, whether of consequence or not.

The company is determined to give full publicity to its side of the armor plate controversy. The campaign is being carried on with energy.

The company has issued its twelfth bulletin, supplemented by a signed statement from six minority members of the House Committee on Naval Affairs. This committee has favorably reported the Tillman bill to appropriate $11,000,000 for a Government armor plant. The minority calls attention to certain statements which are worthy of consideration.

The naval bill this year will carry an appropriation undoubtedly of more than $200,000,000. This bill appropriates $11,000,000 for an armor plate factory of 20,000 tons capacity. The estimates for this plant were made in 1913. Since that time labor and material have advanced in cost approximately 40 per cent. If this plant is built under present conditions, or at any time during the continuance of the war in Europe, it will probably cost the Government $15,000,000. **We believe that this money could be spent more wisely at this time on the navy afloat than on the navy ashore. . . .**

Terre Haute Star, May 26, 1916
Indianapolis Star, May 25, 1916
Muncie Star, May 24, 1916

TOO MUCH GOVERNMENT OWNERSHIP

The Bethlehem Steel Company is making an appeal to the public which should be heeded and impressed upon the people's representatives in the Lower House of Congress.

It is giving publicity to data that were known to the Democratic Senators when they passed the bill to provide for a Government-owned armor plate plant.

The figures, which are in the public records and would not be presented if they are false and could be easily refuted, show the shallowness of the contention that the Government is being held up on armor plate. . . .

. . . The chief object is to prevent the Government from being imposed on and to be assured of capacity to turn out armor plate.

The agitation has had a good effect, but there does not seem to be any need for the proposed legislation.

—Indianapolis News, June 2, 1916

Indiana—Continued

. . . It is high time for the people to make themselves understood in Washington.

No one who has taken even superficial notice of governmental effort believes that any one of the three proposals will result in anything except great waste, and vastly increased supplemental appropriations. Our Government is in the hands of a lot of impractical visionaries and intensely practical promotors, who should be made to understand public sentiment without further delay and before they have committed this country to a disastrous program of public ownership.

Indianapolis News, June 22, 1916

TRAINED INDUSTRIES

. . . There is little, if any, disposition to take advantage of a war. Under such a system the Government would obtain a maximum efficiency at a minimum expense. It would do away with the necessity for many Government plants, although some, of course, should be maintained.

Dependence would naturally be placed on the registered factories, from each of which certain material could be expected at a reasonable cost.

In this connection it is significant that the Bethlehem Steel Company now proposes to make armor plate for the Government "at cost."

This, explains the head of the company, is not "a deathbed repentance."

It is an indication that the steel company has caught the spirit of industrial preparedness.

The Dearborn Independent, June 30, 1916

AN IMPROPER APPROPRIATION

The Independent cannot agree with the majority in Congress as to the propriety of appropriating millions of dollars to establish a Government armor plant, not only for the reason that the entrance of the nation into commercial lines is undemocratic in principle, but because the duplication of existing and sufficient producing capacity is an economic mistake.

The only ground that can be offered is the inability of private plants to supply the needs of the country. This is admittedly not the case, for except in extraordinary times present capacity exceeds demand, and existing plants can easily enlarge if the situation warrants. In fact, half the cry for increased armament is born of the fear that extensive industrial works now occupied in foreign trade will be forced into idleness when the war in Europe ends. There has already been a woeful economic waste in investment for the satisfaction of a demand that can be but temporary.

It is argued that the Government can produce more cheaply than it can buy. This is not at all certain; and experience positively denies it, even in cases where there is permanence in the demand. To-day private business owners find it economy to buy of specialized industries, even where already fitted to produce.

A remedy for overcharging the Government rests with its own agents. In case of emergency they can take charge of and dictate the price, provided of course they allow a reasonable figure.

It is claimed the United States has been enjoying lower prices for armor plates than has any other country. If this is a fact there is no reason why the Government should desire to change. Not only that, but an existing steel company offers armor plate at a lower figure than ever, and even offers to let the Navy Department name a price.

For such reasons we are opposed to the waste of money in the direction of a Government plant.

New Castle Times, April 1, 1916

THE ARMOR PLATE BILL

. . . Now that a bill is in Congress for a Government plant the Bethlehem Company has offered to furnish plate to the Government at less than $400 a ton for the next three years, or it will make the plate on a percentage basis, the Government putting inspectors in the plant to keep an accurate cost of every operation.

Since this offer has been made it is likely that the Government will not engage in the business, as it is the fixed policy not to do anything that can be done in a private way as well as economically.

Indiana—Continued

Indianapolis Star, July 18, 1916

DOESN'T UNDERSTAND IT

The trouble with the argument the Bethlehem Steel Company is putting up is that it is sound business sense, and the Washington administration does not understand that kind of talk.

Indianapolis News, July 24, 1916
Boston, Mass., Journal, July 27, 1916

THE ARMOR PLATE PLANT

Whether the action of the Senate in authorizing the construction of a Government armor plate plant is wise or not depends wholly on the purpose in view.

If it is sought to punish the Bethlehem Company for past offenses at a cost of $11,000,000 to the people of the United States, then the action is defensible in the sense that the end will be accomplished.

If, on the other hand, the aim is to get armor plate at a fair and reasonable price, then the action is unwise, because unnecessary, since it would have been easily possible to make satisfactory arrangements with private contractors.

. . . There is no merit in a Government plant as a business enterprise. While punishment that costs $11,000,000 as a starter comes much too high.

. . . So far as we are aware, not a single responsible and creditable source of sound political and economic judgment has supported the administration in this controversy.

Opinion unites to commend the course of the armor plate manufacturers in offering to make the plate at prices to be practically fixed through government agencies. . . .

—Indianapolis Star
July 21, 1916

Lafayette Journal, July 22, 1916

MAKING ARMOR PLATE

The advocates of the Government-owned plant have abandoned the argument that armor would be produced at any saving over what it can be purchased for from the present manufacturers, and are basing their appeal on the allegation that the privately owned plants are located near the sea coast. . . .

. . . But the whole controversy falls flat when we remember that an enemy who would be able to land a sufficient number of troops to capture the territory wherein is located the privately owned armor plants now in existence, would first have established their supremacy on the sea and would have taken possession of our shipyards, thus making it impossible to build battleships on the coast and at once eliminating any further use for armor plate.

The enormous appropriation for a Government-owned plant in view of existing conditions, has every aspect of merely being pork, an expenditure not justified by reason of any saving to be effected nor of safety in case of emergency.

South Bend Tribune, July 8, 1916

CONFIDENCE RUDELY SHAKEN

A lot of folks who believe in Government manufacture of armor plate will confessedly have their confidence in the congressional plans rudely shaken by the voting down of an amendment demanding that the books of the proposed Government plant shall be so kept as to show the exact cost of manufacture.

The chief excuses of all for Government manufacture of armor plate is that the Government is the sole consumer and a belief that the private manufacturers encourage war.

Under the agreement which the Bethlehem Steel works is new proposing and with proper legislation to make impossible the promotion of war by private interests these reasons are less strong.

When to that we add the apparent determination of Congress to refuse to keep a record of costs, the private interests have the best of the argument.

Iowa

Des Moines Register and Leader, April 11, 1916

BETHLEHEM BULLETINS

The sudden interest the Bethlehem Steel Works are taking in newspaper publicity is one of the manifestations of the season worthy of more than passing notice.

We do not know that Mr. Schwab's company ever had a mailing list before the Senate passed the bill for a Government plant.

But it assuredly has one now, and it is being used to make up for lost time.

The daily bulletins of the great steel corporation are, of course, very much in the nature of locking the door after the horse is gone.

If such a campaign was worth while at all it was needed before Senator Tillman's armor plate bill had been put to vote.

But better late than never is not a bad motto for this and a number of other industrial organizations. The Standard Oil Company might take a lesson from Bethlehem troubles.

Sooner or later they all come to recognize that the people are entitled to know.

Des Moines Register and Leader, April 17, 1916

PUBLICITY

In the ninth bulletin issued by the Bethlehem Steel Corporation since the Tillman Government armor plate bill passed the Senate, Mr. Schwab and his associates make an announcement of the utmost significance to everybody.

Prefacing the announcement with this statement: "The mistake of the Bethlehem Steel Company has been that it kept quiet.

We have allowed irresponsible assertions to be made for so long without denial, that many people now believe them to be proven facts."

Mr. Schwab as chairman, and Eugene G. Grace as president say officially:

"We should make the mistake of silence no longer. Henceforth we shall pursue a policy of publicity. Misinformation will not be permitted to go uncorrected. It is and has been the policy of our Company to deal with the American Government in the frankest and most liberal manner. We expect henceforth to place the details of all these relations before the American people. We have offered to make armor for the Government at any price the Government shall name as fair. Certainly the widespread publication of such an offer is an effective challenge to our own good faith."

Anyone can see at a glance that the effect of this will not be confined to Bethlehem Steel.

The policy of every great industrial corporation will be influenced, if not directly modified.

The old notion of secrecy will be discredited among business leaders. . .

The Keokuk Daily Gate City

BETHLEHEM COMPANY PUBLICITY

Suspicion is the father of discontent, and some people are never satisfied.

Had they nothing to find fault with and were life forever to move in a smooth channel it is a safe bet there would be those prone to complain.

Writers in the press who make capital of attacking "big business" condemn the Bethlehem Steel Company's advertising campaign against the naval bill's armor plant provision on the ground that it is an attempt to play politics by appealing to the public.

The method of the Bethlehem Company's propaganda is obviously right and is exactly in accord with the policy which critics of business are always clamoring for.

Here is a great corporation frankly discussing its business in the open.

When corporations are silent in regard to their affairs they are condemned for star chamber methods of procedure; when they publish the facts of their business to the public they are condemned for trying to confuse the public mind.

There is no justice or sense in this sort of carping.

Why not be fair?

Iowa—Continued

Ottumwa Courier, March 31, 1916

ARMOR PLATE PRICES

. . . If the Congressmen are interested in saving money for the Government;

If they are interested in bettering our industrial situation;

If they are interested in national prosperity rather than in something to parade before the people as a fake public benefit;

They will investigate the facts submitted by the Bethlehem Steel Company, to see whether the supposed advantages of Government manufacture of armor plate are real or merely theoretical.

Ottumwa Courier, June 3, 1916

AN UNNECESSARY SLAP

. . . Proofs were submitted and not contradicted, that armor plate, per ton, costs the Government of the United States less than any other first class power.

The armor plate makers are willing to reduce the cost even further, rather than have their expensive factories and machinery rendered useless by the establishment of the Government plant.

They submitted a fair proposition and it was turned down.

Now Congress is going into the armor plate business for itself and is going to start off with an expenditure of $11,000,000 for a plant.

That means private capital will cease to be interested in the making of armor plate. It will be up to the Government to enlarge its plant so that it can take care of the country's needs in time of war.

It looks as though in taking a step which will undoubtedly discourage the erection of privately owned munitions works, Congress has been the very first to grievously offend against the new spirit of industrial preparedness

Ottumwa Courier, July 6, 1916

PRICES ON ARMOR WANTED

The proposal was made in the United States Senate yesterday that steps be taken to determine a fair price for armor plate manufactured by private corporations. Thus far Congress has shown an intention to proceed with Government manufacture of armor without regard to its real cost and merely to "take the profit out of war." It seems that the publicity work of the Bethlethem Steel Company, in its efforts to show that it is selling the United States better armor plate at less cost than is the case with any European firm and country, is exciting enough public interest to compel Congress to look into the matter.

Figures compiled by the Bethlehem Steel Company and designed to show that Government manufacture of armor will be an extravagance and an imposition on the taxpayers, have enlisted many people on that side of the proposition.

No great corporation need be afraid of coming squarely before the American people if it comes frankly and without the purpose of deceit.

The people are fair when they know all the facts, and the policy of corporation publicity will place the facts before them.

—Dubuque Telegraph-Herald
May 31, 1916

Iowa—Continued

Dubuque Telegraph-Herald, March 31, 1916

A GOVERNMENT ARMOR PLANT

In the annual report of the Bethlehem Steel Corporation, Charles M. Schwab says:

"We will agree to permit any well-known firm of chartered public accountants to inventory our plant and make careful estimates of the cost of manufacture; with that data in hand we will meet with the Secretary of the Navy and agree to manufacture armor at a price which will be entirely satisfactory to the Secretary of the Navy as being quite as low as the price at which the Government could possibly manufacture armor on its own account, after taking into account all proper charges."

This proposition not only meets the Government half way, but all the way.

It cannot make the case for Government ownership feel particularly proud of itself.

Yet papers like the New York World wax richly ironic over Mr. Schwab's statement that a Government armor-plate mill would render useless the $7,000,000 invested in Bethlehem's plant. "Stockholders during the year," says the World, "had to endure a rise in the market price of their shares from around $46 to $600, now off to $520. If the company had charged to depreciation the whole armor plant cost, there would have been left for common shareholders a profit on the year of hardly 70 per cent."

The Bethlehem Steel Corporation is admittedly prospering. On that account, no doubt, it owes the World and the rest of the country an apology.

But this prosperity alone is not sufficient to justify the Government in virtually destroying $7,000,000 in private capital, and devoting $11,000,000 of public capital to the purpose of making armor plate more costly to the navy than it is now.

Dubuque Telegraph-Herald, May 31, 1916

GOING TO THE PEOPLE

When great, rich and powerful corporations learn to appeal to the people as to a court of fair play, great progress has been made in democracy in this land of the free, and we are getting on.

And that sort of thing is becoming common.

The latest corporation to do it is the Bethlehem Steel Company, which has begun a country-wide advertising campaign to set forth its case—and what is, in its opinion, the nation's case—against Government munition factories.

Placing all its cards upon the table, it proceeds to argue its cause before the supreme court of public opinion.

Regardless of the merits of the case, this procedure cannot fail to win appreciation. It is a refreshing change from the old methods of corporations.

It used to be that the people were the very last they turned to.

If they had something to beat or something to put over, they went to the man who pulled the strings, and the party bosses saw the legislative bosses and the thing was done.

That day is gone—or going rapidly—and there is no better evidence of that than such tactics as these new ones of the Bethlehem Steel Company. . . .

No great corporation need be afraid of coming squarely before the American people if it comes frankly and without the purpose of deceit.

The people are fair when they know all the facts, and the policy of corporation publicity will place the facts before them.

The Herald is glad to praise this new policy of Bethlehem Steel, even though it does not entirely agree with the company's case.

There is something innately wrong in having private profits flow out of the manufacture of the tools of war, profits so attractive that it is a paying investment for munitions manufacturers to inculcate the spirit of war. We know that they have done that in Europe, and we know that if there are no private profits in the industry in this country, there will be no temptation for anybody to stir up the war spirit here.

Nevertheless, many honestly differ with this view and they have a right to their opinions. We can believe that Bethlehem Steel is wrong, and still applaud the wisdom of its decision to lay its case before the people.

Iowa—Continued

The Keokuk Daily Gate City, June 5, 1916

TILLMAN SEES THE LIGHT

Senator Tillman, who is chairman of the Senate's Naval Committee, has said that it would be unfortunate for the navy to manufacture its own armor; that "it would be better if we should have the manufacturers supply the Government at a reasonable price."

No intelligent person will question the soundness of this view.

If the Government makes armor under the plan that has been proposed, it will waste $11,000,000 of public money, and by destroying a private industry eliminate an important factor in national defense.

The question whether private manufacturers will sell at a reasonable price has been answered by the Bethlehem Steel Company, which offers for an indefinite period to make armor on terms to be fixed by the Government.

Certainly nothing could be more reasonable than this proposal.

Ottumwa Courier, July 17, 1916

COST OF ARMOR PLATE

. . . Numerous senators . . . favored the establishment of a Government-owned armor plate factory merely because the private factories would not furnish them with figures for publication showing the costs of manufacture and the profits. The Bethlehem Steel Company makes the following assertion regarding this:

We have no objection to giving these details of costs to properly constituted authorities for their information and guidance. We do object to having them spread in public documents where they shall be available to other manufacturers here and particularly to the foreign manufacturers. We have never been able to get any data as to the cost at the German, English, French and other plants.

All we know is that the United States Naval Year Book shows that all the great foreign governments pay more for their armor than does the United States.

We would be very much interested in any detailed records of the foreign manufacturers' costs and methods of production, and they would no doubt be equally interested in ours, but we have no desire to voluntarily give them this information.

Nor do we believe it would be good policy for the United States Government to force out such information for the use of the foreigners. There isn't the slightest difficulty in obtaining such data for the use of the United States Government itself.

This proposition meets the Government not only half way, but all the way.

—Dubuque Telegraph-Herald, May 31, 1916

Kansas

Smith County Pioneer, May 25, 1916

GOT ITS DANDER UP

The Bethlehem Steel Company has got its dander up.

They say they are dealing squarely with the American Government, and are buying space in this paper to prove it.

They say the mistake of the Bethlehem Steel Company has been that it has kept quiet.

Big business men don't find time to "pop off" all the while and get their names in the papers, and they get roundly abused.

But the Bethlehem will stand for it no longer.

Henceforth they will have something to say for themselves, and are paying the newspapers for advertising space to say it, which is somewhat different from the reformers who want the space for nothing.

Lawrence Journal, July 17, 1916

MAKING ARMOR PLATE

A short time ago when the matter of the Government engaging in the manufacture of armor plate for its battleships and fortifications first came up for general discussion in Congress, the representatives of the steel companies swelled up like a bloated canine and gave dire threats of what was to be done in return.

That expression was unfortunate for the steel trust and since that time it has shown its penitence in many ways. Now it promises to make armor plate for the Government at any price that the Government, through a commission, shall say is fair, asking only reasonable interest upon the money invested in the plant.

As this is a business matter it should be acted upon in a business-like way.

There is no occasion for resentment, no occasion for the Government's jumping at conclusions, **but the offers of the Bethlehem Steel Company should be given due consideration,** and unless it is very evident that the saving through a Government plant would be considerable it would undoubtedly be better for the nation to enter into satisfactory working relations with the steel company.

The Government would not find it all easy sailing in making armor. . . . It is possible, at least, that armor made by the Government might be found to be ineffective at the moment of supreme test.

NOW IS THE TIME FOR LEGISLATORS TO KEEP THEIR HEADS AND DO THE THING THAT IS RIGHT, RATHER THAN DO THAT WHICH MAY BE POPULAR OR SPECTACULAR.

Maine

Portland Express and Advertiser, April 3, 1916

FEDERAL MUNITIONS PLANT

. . . The insincerity of those who insist on the establishment of a Government plant is shown by their unwillingness to provide for the system of strict cost-accounting which was urged by Senator Weeks and other Republicans.

Lewiston Journal, March 24, 1916

. . . As long as private plants are disposed to be fair they should not be crowded from the field.

When competition is once shut out there is danger of deterioration of the material, as many inventors would quit the field.

Even Germany, whose efficiency has been the wonder and admiration of the world, does not tie the making of armor plate down to Government workshops. Let us kill the monopoly features of the business and at that point stop Government expansion of the industry.

Too much Government ownership might cause another boom in the line of Congressional pork.

Besides, it is by no means certain that any great naval expansion will be needed. The horrors of the present war may be the means of all nations finding some other method of settling disputes. . . .

> . . . As long as private plants are disposed to be fair they should not be crowded from the field.
>
> —*Lewiston Journal, March 24, 1916*

Maryland

Baltimore Sun, July 21, 1916

ARMOR PLATE AND THE GOVERNMENT

. . . The amount appropriated is $11,000,000 and, in the opinion of many experts, is insufficient. When the great war is ended and the lessons to be learned from it have been carefully studied, the arguments which have secured the passage of this legislation may seem less weighty than at present. It is possible, then, that some future Congress may rescind the action of the present one. At all events, it will be well for the people to consider thoroughly the whole subject at this time, in the light of the facts which the campagin of the Bethlehem Company has developed. For that campaign has unquestionably thrown a new light on the facts.

The three principal arguments offered in favor of Government ownership and operation of an armor factory were: first, that the Government could make armor plate cheaper than it could buy it; second, that the capacity of the existing plants is insufficient, and third, that there should be a wider geographical distribution of the plants.

The first, we think, has been thoroughly disproved by the Bethlehem Company. The contention of the Government ownership advocates was that the Government could make plate at $269 a ton, whereas it has been paying $425 a ton. But it soon appeared that the Government's estimate was based on a 20,000-ton plant, running on full time, while the plants of the Bethlehem, the Carnegie and the Midvale companies—the three now existing—were built to produce from 8,000 to 10,000 tons annually, and the orders received from the Government have justified operation to about only one-third of the capacity of the plants. It has also been asserted by the Bethlehem Company, without contradiction, that the United States Government for twenty years has paid less for its armor than any other first-class naval power and has received a quality superior to that of any other nation.

Whether or not the privately owned plants have received undue profits in the past, it is certain that they would not in the future, for the Bethlehem Company has offered to furnish armor hereafter at the Government's own figure—that is, it has offered to open all its books to the Federal Trade Commission and accept any price which the Commission shall fix. Nothing could be fairer than this.

So far as the question of price is concerned, therefore, it may be assumed that nothing is to be gained by Government manufacture. That the capacity of the privately owned plants is insufficient to meet the Government's needs is arguable only on the theory that the Government will require an enormously larger quantity in the future than in the past. Certainly the existing plants could furnish all that will be ordered in the immediate future, unless we are plunged into war, and if the demand increases, it may be presumed that the existing companies will increase their facilities to suit.

As to the third contention, that plants should be located in a variety of sections, this point has been argued with force by Mr. Edmonds, of the *Manufacturers' Record*, and there may be something in it, though the weight of argument seems to be against it. And it has been less insisted upon by the advocates of Government ownership than any other.

An important consideration in this connection has to do with the assertion that if the Government builds a plant of its own the existing ones will necessarily have to go out of business. If that is true, instead of there being a wider geographical distribution of armor plants there will be a narrower one; instead of the total capacity for the making of armor being increased, it will be reduced.

It seems, then, that the Government will be embarking on a very doubtful voyage when it starts to make its own armor.

Maryland—Continued

Baltimore Sun, July 28, 1916

PLATE PLANT NOT WANTED

After months of threshing out of the plan for the Government to build its own armor plate plant, the things to be said in favor of this project are of indifferent weight as compared with the benefits that private initiative has to offer. . . .

. . . The Bethlehem Steel Company, that is not in an attitude of antagonism to the Government, makes the bold proposal to lay all its cards upon the table, to open its books to the Federal Trade Commission and promises to make steel for the nation at such terms as the Government itself may propose.

Thus the Government is invited to make its own bids and the steel corporation will abide by them. It only asks the Government to have the spirit of fairness. It is to be hoped that the country will be saved this unwise expenditure.

To enter into such an undertaking would mean a subdepartment of the Government contracting with another, with no machinery for the enforcement of these inbred contracts.

The strict spirit of rejection of armor made under Government specifications by a private concern would not operate nearly so rigidly with contracts for Government manufacture.

It is apparent to the ordinary sense of the obvious that a commercial steel plant can operate an armor plant with greater economy than can the Government.

This applies to additional costs as well as to the lack of utilization of materials not usable for the armor plate. This scrap loss to the Government would be enormous. . . .

. . . The plan is, therefore, inexpedient, detrimental and fraught with the viciousness of an experiment advanced professedly upon one basis, when the motives underlying it are of a different nature. . . .

Baltimore Star, July 31, 1916

NO NEED FOR A GOVERNMENT ARMOR PLANT

. . . If it was not apparent a year ago that a Government armor plant is a wrong idea it is apparent now, and the bill which, if enacted, will put the Government into the armor-making business should be defeated.

. . . There is nothing to warrant the belief that the Government can produce armor plate at a lower cost than the contract rates effected with the firms that have been supplying this product.

The probability is that the output from a mill owned and operated by the Government would represent a much higher cost.

No matter if the cost were doubled, the people would pay the bill and the actual cost could be concealed by a little mathematical jugglery if the Government power were disposed to mislead the public.

Nothing could be fairer than the offer of the Bethlehem Steel Company to allow a Government commission to fix the price at which that corporation will furnish armor plate to the Government.

The unfairness of pushing Government competition into this and other branches of industrialism is in that the Government is not handicapped by any considerations of the cost of production.

Experience demonstrates that a Government-operated industry is almost certain to be less efficient and to produce at a greater average cost than a privately-controlled industry.

Massachusetts

COMING TO TERMS

. . . There is wide public feeling that a Government-owned plant might prove a costly and unsatisfactory experiment.

It may be sound policy for the Government to accept the steel men's offer and for the present, at least, hold in abeyance the proposal for a Government plant.

—Brockton Times, May 29, 1916

Boston Journal, March 27, 1916

ABOUT ARMOR PLATE

. . . The steel people have done no "knocking." Theirs is only a protest against the general principle of Government ownership of any established and efficient industry.

There have been no figures to show that the Government could make armor either better or cheaper than the private plants.

The Tillman bill's support comes largely from politicians who seek to strengthen themselves by old-fashioned methods of opposing all big business enterprises. . .

Boston Journal, April 13, 1916

ABOUT PORK FACTORIES

. . . The Tillman armor plate bill, which has passed the Senate and is making friends in the House, establishes an $11,000,000 plant for Government manufacture of armor.

That would be a first step toward political seizure of the whole or a large part of the munitions trade.

The political jealousies bred in an $11,000,000 plant where fat jobs were being handed out like campaign cigars, would make further manufacturing a strong political object.

A score or so of factories, located in populous voting districts, would be a fairly handy asset to the party in power.

Boston Journal, June 26, 1916

A WHOLESOME SIGN

In seeking to prevent an appropriation for a Government armor plant the Bethlehem Steel Company has been frank in stating selfish reasons.

The company, which has an investment of $7,000,000 in its armor plant, is willing to sacrifice its usual armor profits in order to safeguard the $7,000,000, and agrees to furnish armor at a price covering fixed charges, the Federal Trade Commission to determine those charges. "Bribing the Government," the enemies of big business have charged in denouncing the steel company's proposal.

But more liberal minds have stopped to investigate, and they make no such charge.

The company is striving simply to save investors the loss of $7,000,000, which would be wiped out by a Government monopoly of the armor industry.

It has made good plate, at prices lower than those obtained by any other Government on earth.

Its greatest offense, as cited by its enemies, is that it has sold plates abroad cheaper than at home; and that offense, we now find, was committed only in the sale of sample lots.

The profit may have been too high—the company probably charged all it dared, as most American business enterprises do. But that seems a poor reason for putting a great industry out of business. .

. . . The company maintains no lobby at Washington.

In its publicity matter it appeals only to the public, inviting public opinion to prevent what it considers an injustice.

Massachusetts—Continued

This practice of inviting public opinion is new—too new, perhaps, to have its effect in this instance.

The railroads and the great manufacturing interests formerly did their offensive and defensive work through agents in Washington. Now they appeal to the public.

The public, unused to making decisions, doesn't quite understand the new responsibility yet.

In the past the public hasn't been accustomed to hear much about business laws until those laws were on the statute books. . .

The Boston Commercial, April 1, 1916

THAT ARMOR PLATE PLANT

. . . The voters will do well to bear in mind the fact that Government-owned enterprises do not pay taxes, while those under private ownership do. Every industry taken over by the Government saddles just so much more taxation, and its own yearly deficit in addition, on taxpayers in general.

It should also be borne in mind that unprofitable enterprises are a menace to the future welfare of the country and its people. Profits create the fund that pays for industrial expansion and progress and upon these the prosperity of all depends.

The Bethlehem Steel Company offered to show its books and then take contracts for armor plate at prices which the Government, after obtaining full information as to costs, might determine to be fair. It was a generous offer, for there is no good reason why a corporation which happens to be equipped to supply something the Government purchases should do the work at cost, while the other corporations and individuals who pay no greater taxes proportionately are using their facilities profitably serving the general trade.

This armor plate plant scheme, however, is in keeping with the idea which a number of politicians have been trying for several years past to popularize, namely, that the Government is entirely independent of the tax-paying public, that it has the unquestioned right to single out prosperous corporations and individuals and punish them whenever the party in control at Washington thinks it can best serve its political ends by resorting to such a course.

Haverhill Gazette, May 4, 1916

MUNITION SUPREMACY

. . . The real significance of Mr. Schwab's statement, however, lies in the sense of security it conveys to the American public at this time.

While the people as a whole may not be directly interested in the marvelous production of the Bethlehem works, or in the details of shares and dividends, it is gratifying to know that in any great international crisis that might force the United States into war, we will find our munition plants equipped and ready to meet the emergency.

Despite our natural abhorrence of war and the universal American sentiment against it, should we be called upon to defend our national honor, our greatest need will be the very products that the Bethlehem Company and other great munition plants stand ready to furnish in such abundance.

This seems to be one phase of preparedness that has developed automatically, and in a possible crisis it may spell American supremacy.

The Government armor plant scheme is a piece of folly.

—New Bedford Standard
April 12, 1916

Massachusetts—Continued

Brockton Times, June 27, 1916

ECONOMY

If public funds are not to be wasted at a time when more money than is now available is needed for defense, the United States Senate would do well seriously to consider the latest offer of the Bethlehem Steel Company.

The House Naval Appropriation Bill, upon which the Senate is expected to take final action this week, provides for the construction of a Government armor plant at a cost of $11,000,000.

As prices of labor and material have shown a striking advance since the estimate was made, it is believed the cost would be $15,000,000. Two years would be required to complete the plant and put it in operation.

The Bethlehem Steel Company, which declares it would lose much of its $7,000,000 investment in armor-making machinery if the Government plant is built, now offers to supply armor plate at cost of operation, to be determined by officers of the Government, plus such charges for overhead, interest and depreciation as may be determined by the Federal Trade Commission.

In view of the notorious high cost and comparative inefficiency of Government operated business enterprises, is it reasonable to assume that Uncle Sam will be wise in rejecting this proposal of the steel company just for "spite," because he thinks he has been overcharged for armor plate in the past?

What business man would do it?

Fall River Globe, June 1, 1916

THE ARMOR PLATE PLANT MATTER

. . . Furthermore, the Bethlehem people renew their offer to continue producing the best quality of armor plate made in the world under Government supervision at any price the Government itself shall name as fair.

That is a proposition that is entitled to the serious consideration of Congress, and whatever may have been the practices and policy of the armor plant trust in the past in its dealings with the Government, it is obvious that it is now disposed to play fair.

> **Apart from any question as to the entire accuracy or pertinence of its argument, the Bethlehem Company is probably correct in its statement that it can make armor cheaper than it could be made in any Government plant.**
>
> *—Holyoke Transcript*
> *May 25, 1916*

Holyoke Transcript, May 25, 1916

AN ILLUMINATING PUBLICITY CAMPAIGN

The Bethlehem Steel Company is the first big plant of the kind to turn to "pitiless publicity" by way of advertising to explain its position.

Charlie Schwab is a man of most fertile resources and it is he who has turned to the policy of publicity to meet the Naval Committee's armor-plate plant provision.

The bulletins and printed exposes of the Bethlehem Company are admirably edited and state the case from their point of view with cogent argument.

Apart from any question as to the entire accuracy or pertinence of its argument, the Bethlehem Company is probably correct in its statement that it can make armor cheaper than it could be made in any Government plant.

And it might go further in maintaining that it is a more than doubtful policy for the United States to take any step calculated to put the existing private armor plants out of operation.

As the proposed Government plant will not have the capacity to supply all the armor the nation will need, the immediate danger of such an outcome is not especially serious, but if it be the fact, as alleged by the Bethlehem Steel Company, that it is prepared to "manufacture armor at any price which the Government itself shall name as fair," then it does seem foolish to spend $11,000,000 to accomplish that which can be effected without the expenditure of a dollar. . . .

Massachusetts—Continued

Lowell Courier-Citizen, April 7, 1916

NOT BUILT YET

That Government armor plate plant to cost $11,000,000 isn't built yet or even started. There is plenty of time to abandon the foolish policy of engaging in such work.

It is sound business sense to secure from private concerns everything needed in war.

There are few plants capable of making the plate required for our warships. The Government cannot take their places though it can easily drive them out of the industry.

Bethlehem Steel Company, one of the companies equipped to furnish plate, has amplified its offer to the nation. It will reduce the price from $425 to $395 a ton, which is from $10 to $100 less than other powers are paying, and agree to maintain that figure for at least five years.

Further, it offers to make armor for an indefinite period at any price which the Federal Trade Commission may name as fair.

Mr. Schwab's offer is really that of a patriot—and not one for revenue only.

Lowell Courier-Citizen, April 12, 1916

ARMOR PLATE

There is no reason why we should pay an exorbitant rate for armor plate in the future, nor why we should have in the past.

But if the steel companies will now agree to manufacture it at what the Government itself decides to be a fair profit that is the best arrangement possible.

Certainly the opportunity to avail ourselves of the plants now ready for business on our own terms ought to be accepted, and if we are cheated under this arrangement we can blame no one but ourselves.—Worcester Gazette.

Lowell Courier-Citizen, May 27, 1916

SHOULD NOT INVEST

Mr. Schwab's Bethlehem Steel Company is keeping up its fight against a Government armor plant. The public in general has no particular love for the steel concern but a large part of it no doubt hopes the company will win.

The Government should not invest $11,000,000 or any other amount in a plant, because by so doing it is apt to drive private works out of the business. Mr. Schwab renews his offer to furnish plate at any price the Government itself may fix as fair, and if there is no string to the offer it should be accepted.

New Bedford Mercury, May 1, 1916

THE BETTER POLICY

. . . It would seem the better policy to accept the latest terms of the armor plate men and see what would come of them.

If finally proved unsatisfactory then we might embark on a Government-owned armor plate plant, something to be held aloof from as long as possible.

"Acceptance of it will save the Government money," says the Company of its offer.

There seems little reason to doubt it.

Springfield Republican, May 29, 1916

LOOKS TEMPTING

The Bethlehem Steel Company's offer to make armor plate for the Government indefinitely at a price which the Government itself shall fix, looks tempting, but it would be more tempting still if the offer were made for a period not less than 99 years.

The "indefinite period" the company stipulates is so very indefinite that the company might end it within six months after Congress had adjourned.

Make the offer for 99 years, Mr. Schwab, or even 25 years.

Springfield Morning Union, May 29, 1916

OF DOUBTFUL EXPEDIENCY

. . . If the steel companies were trying to impose on the Government there might be good reason for resorting to Government manufacture of armor plate, but Mr. Schwab's offer, apparently made in good faith, seems to dispose of that excuse for embarking in an enterprise of such doubtful expediency.

Massachusetts—Continued

New Bedford Times, July 22, 1916

APPEAL TO PUBLIC SUCCEEDS LOBBY

. . . Whatever may the merit of their arguments, the important fact about the whole business is that the great Bethlehem Steel Company chooses this method of getting at Congress. There was a time, not many years ago, when any corporation with a grievance to air or a favor to ask would operate secretly at the national capital, through paid lobbyists. Now the corporations appeal direct to the people, through the medium of the press.

Instead of secret "influence" and possible corruption, there is publicity. Instead of trying to cheat the public, they try to persuade the public with statements made by responsible men, easily refuted if they are untrue. And the new method represents an enormous improvement in the relations between the corporations and the nation.

Newburyport News, July 7, 1916

A SIGN OF THE TIMES

. . . What the intention of the Senate is in respect to this matter we do not know.

But the fact that a great corporation feels it desirable to adopt a policy of publicity, and to base its appeal on motives of economy and fair play, is a most interesting sign of a new order of things in American industry and one which may well be noted. . . .

Attleboro Sun, July 20, 1916

THE ARMOR PLATE BILL

The Government's proposal to build its own armor plate without regard to the economy and efficiency of the Bethlehem Steel Company plant, which now does the Government work, means that the privately owned plant is to lose its best customer and go out of business. There is not much hope, judging from the navy yard policy, that a Government-owned plant could compete, save under conditions that give it an absolute monopoly.

In the old days, a big corporation faced with such an alternative would have involved the aid of a most expensive lobby in Washington. The Bethlehem Company chose instead to carry its message and its argument to the people direct in paid advertisements. The armor plate bill was advanced in the Senate yesterday.

That it will ultimately win can be based on a supposition that the public will remain indifferent, or that the Senate will not heed public opinion.

Springfield Morning Union, July 22, 1916

GOVERNMENT ARMOR PLATE PLAN IS INDEFENSIBLE

The appropriating of $11,000,000 from the Federal treasury for a Government armor plate plant is a singularly indefensible procedure at a time when the demands for necessary undertakings are beyond precedent and Congress is driven to the most extraordinary resorts to keep the treasury from bankruptcy. . . .

. . . It has been stated repeatedly, and we have not seen it denied, that the United States buys its armor plate at lower cost than any other nation, and it appears further that no other country has seriously considered the establishing of such a plant. Other governments recognize that it is for the national interest to encourage such concerns to maintain such facilities as will enable a national emergency to be met promptly, and they deem it very poor policy to shut off the profits in this connection. They know that if private production in this connection is discouraged the national interest will suffer.

If the administration purposes to have the armor plate made by private contract and use the Government plant merely as a device to compel the companies to reduce prices, it is paying an altogether unnecessary price of such regulation. There is no line of production where the Government figures as a customer that lends itself so readily to a Government regulation as does the armor plate industry, for the reason that the producer is peculiarly dependent upon the Government in disposing of the product. The Government has a definite offer from a large steel concern to let the Government's representatives fix the price of the armor plate it may supply for our war vessels. . . .

Michigan

Detroit Free Press, April 7, 1916

INVESTIGATE THIS, TOO

. . . Charles M. Schwab, president of the Bethlehem Steel Company, has now made another statement which is equally deserving of consideration before action is taken. In an address to the shareholders last Tuesday, he said among other things:

"It is acknowledged that the United States is today getting the best quality of armor in the world. It is getting that quality at a price below that paid for armor by any other great naval power. The United States, according to official reports, has paid a lower price for armor over a period of twenty years than any of the other countries with large navies."

Is Mr. Schwab right? Is it a fact that the United States has been getting the best armor in the world at a lower price than any other country with a large navy pays? If so, where is the need for a Government plant? Why should $11,000,000 of the people's money be spent without adequate cause?

Charles M. Schwab is a recognized authority on steel production. He occupies a responsible position in the commercial world. It is presumable that when he makes a statement publicly about his own business he knows what he is talking about and is telling the truth. Until what he has said and his company has said on this subject is refuted the proposal to build a Government plant will stand unjustified. The country has plenty of other uses for its money than to be spending it on a project that is under suspicion.

Detroit Free Press, June 3, 1916

PREPAREDNESS PROSTITUTED

. . . The national legislature has taken the responsibility for legislating out of business several well established and reliable private factories in favor of a Government plant which cannot be put in operation for a long time, and which when established will in all probability operate at a cost that will mean higher prices than ever in armor plant.

Battle Creek Enquirer, May 23, 1916

TALKING TO THE PEOPLE

The Bethlehem Steel Company, which presents its argument in the Government armor plate case direct to the people through the medium of general publicity, gets credit at least for a sincere belief that it has a story that will bear hearing and considering, and for its belief in the willingness of the public to hear and consider fairly.

It prefaces its remarks by the frank statement that the company has made a mistake in policy by keeping still while others have been doing the adverse talking, and that it now intends to go to public opinion with all its facts.

The procedure is vastly interesting as indicating a new departure in the handling of large corporation affairs, and a new attitude toward the public mind.

Whatever may be the merits of the armor plate affair, as finally developed by what the public thinks of what the Bethlehem Steel Company has to say, it is at least reassuring to know that big interests are willing to submit their case to the people and

Is Mr. Schwab right? Is it a fact that the United States has been getting the best armor in the world at a lower price than any other country with a large navy pays?

If so, where is the need for a Government plant? Why should $11,000,000 of the people's money be spent without adequate cause?

—Detroit Free Press, April 7, 1916

Michigan—Continued

that the people are presumed to be willing to listen impartially, and judge soundly.

If the practice can be carried out to a successful operation in all its possibilities, much of the manipulation of affairs for political effect may be removed from local and general Government.

Calumet News, June 10, 1916

A FAIR PROPOSITION

The advertisements of the Bethlehem Steel Company which are appearing in newspapers throughout the United States present a most unusual offer from that corporation and seem written in a spirit of absolute fairness.

The offer of the Bethlehem Company is that it will agree to manufacture armor plate for the Government under any terms which the Federal Trade Commission shall fix. In other words it offers to sell at the Government's price.

Could there be a more fair and equitable proposition?

What will the United States accomplish by ignoring it and proceeding with its announced intention of manufacturing its own armor plate? . . .

Muskegon Chronicle, April 11, 1916

LET US BE REASONABLE

. . . So far as we are concerned, the Bethlehem Steel Company might lose its $7,000,000 plant and be hanged, if it deserves to lose it.

But the company, which is waging a war of publicity—a reversal of the usual order—against the proposed Government move, has brought forward some statements that are at least deserving of full and fair consideration.

. . . If the Bethlehem Company is willing to manufacture armor for the Government on the Government's own terms, what is to be gained by spending money on a venture into Government manufacture, the success of which is only to be conjectured?

As a refuge from extortion, Government competition is perfectly justifiable. But Government competition is not a healthy thing.

It is diverting the functions of Government into channels not intended for it, and the steel companies, whatever they may have been in the past, certainly have brought forward a proposition that the Government can illy afford to ignore.

Port Huron Times-Herald, May 28, 1916

THE NEW IDEA

. . . When the Bethlehem Steel Company is straightforward enough and enterprising enough to buy thousands of dollars' worth of newspaper space to advise the public of its attitude toward the Government, and to reveal the inside facts with regard to its business, it is assuredly well worth the time of the newspaper reader to take advantage of the publicity offered and to follow these statements as they appear in the columns of The Times-Herald and other newspapers of the country. . . .

A FAIR PROPOSITION

. . . To expend $11,000,000 for a Government armor plant at this time when the National Treasury is depleted will mean that other important and needed preparedness measures will suffer, and there is nothing to be gained if we can procure armor plate at our own price from private concerns.

—Grand Rapids Herald, June 9, 1916

Michigan—Continued

Benzie County Leader, July 8, 1916

A PORK BARREL DEAL

The proposition of the Government entering into the business manufacturing armor and expending eleven million of the people's money just to have the honor of having a Government-owned plant, at the same time cause two big plants built expressly for the manufacture of armor to become worthless and the investment of millions of dollars a dead loss, without first investigating the offer of the company owning the plants, seems to us to be one of the famous pork barrel deals.

Jackson Patriot, July 26, 1916

GOVERNMENT ARMOR PLATE PLANT

There is no excuse, except the mania that exists in the minds of members of Congress to hit and hurt successful private enterprises that emply large capital, for the appropriation of $11,000,000 of the money taken from the people to set up the Government in the business of making armor plate. It might just as appropriately make horseshoes for its cavalry.

The Government cannot carry on any kind of business as economically and efficiently as it is done by private enterprise. It has been shown that armor plate for war vessels is furnished to the United States at a lower price than is paid by any other Government.

There is no evidence that a better quality can be obtained. There is not even a probability that armor plate as good as it is getting now can be made in a Government plant. Economy of production never characterizes a business that is conducted by the Government. . . .

. . . That the acceptance of this offer would save millions of dollars to an already overtaxed people is certain.

Ispheming (Iron Ore), July 1, 1916

VALUABLE CONCERNS RIGHT NOW

In times like these the Bethlehem Steel Company, United States Steel Company, Midvale Steel and Ordnance Company, and many others, are very fine organizations for our Government. We need them now and we will need them more if the war is on. . . .

. . . Real preparedness means the possession of more than one arsenal and munitions plant. Sometimes these plants are blown up. These great ordnance-making, powder-making concerns should be encouraged and not obliterated. When we need guns and ammunition we need them badly, and they are indispensable in the fight. Government-owned munition plants would be a sorry refuge in a time of real need.

Houghton Gazette, July 20, 1916

GOVERNMENT MANUFACTURE OF ARMOR PLATE

The whole Government armor plate plant proposition is based, if it can be said to be based on anything at all, on the notion that the armor companies have been "robbing" the Government.

If, on the contrary, it can be proved that the manufacturers of the United States actually charge this Government less than any other Government has been able to buy armor plate for, the whole idea falls to pieces.

What are the facts?

The Naval Year book, the official publication in such matters, show that the prices paid for armor by the principal naval powers in 1914, the last year of normal prices, were as follows:

Great Britain, $503 a ton for Krupp side armor; Germany $490; Japan, $490; France, $460; United States, $425.

The American companies this year offered to supply armor plate, even in the face of advancing costs, at $395 a ton if they were given a contract on the five year naval program proposed by the Navy Department.

Contrast this with the only Government-owned plant in the world, that of Japan, which even with cheap labor, is paying as much as Germany. . . .

. . . But when all is said and done, if the United States can buy armor plate at $395 when England is paying $503 and Germany and Japan $490, what is there to complain about and what necessity or sense in their Government plant proposition at this day, especially when they cannot turn out armor for four or five years? We need it now.

Minnesota

Minneapolis Tribune, May 25, 1916

CORRECTING SEVERAL "MISTAKES"

. . . The Bethlehem Steel Company is probably not so much interested in the expenditure of the people's money for an armor plant as it is in avoiding such destructive competition.

It is, however, not without justification for its protest and seems to have made a proposition which ought to induce the Government to consider very carefully the business sense of Government manufacture of armor at such an enormous original outlay.

And undoubtedly there is also something to be said on the side of encouraging private manufacture of munitions of all kinds in order that the capacity of production may be maintained at as large a figure as possible against a sudden extraordinary demand.

The important fact, however, seems to be that the mere threat to go into Government manufacture has done all that the actual erection of a plant could accomplish. That justifies the threat, but it questions the wisdom of going any further at the present time.

Minneapolis Tribune, July 2, 1916

A GOVERNMENT ARMOR PLANT

The great blot upon the Naval Bill is the provision for the construction of a Government armor plate plant to cost $11,000,000. The armor plant question ought not to be confused with the question of the increase of our naval strength.

If the Senate and House are in favor of a Government armor plant, let them say so in a separate bill so that the President can veto it.—The Outlook.

St. Paul Pioneer Press,

CAN AFFORD TO BE FAIR

This newspaper holds no brief for the armor-plate concerns and are not fighting their battles. The steel manufacturers are abundantly able to do their own fighting.

But there is no reason why absolute fairness should not be shown an industry, even though a large one and paying heavy dividends.

Following the passage of the naval bill authorizing an extensive construction program must come a showdown on the question of armor.

The Government must buy its armor or erect its own plant for the manufacture. Just now the question is open. . . .

> The important fact, however, seems to be that the mere threat to go into Government manufacture has done all that the actual erection of a plant could accomplish.
>
> That justifies the threat, but it questions the wisdom of going any further at the present time.
>
> —*Minneapolis Tribune, May 25, 1916*

Missouri

St. Louis Times, April 19, 1916

BEGUN BACKWARDS

. . . Instead of a few politicians drumming up votes by a chatter of armies and Government armor plants, let's have a few real ships at sea, behind which we can take a stand and tell the rest of the world where to "head in."

An army of 10,000,000 men couldn't protect the Government armor plant if a gigantic navy saw fit to blow our ships to smithereens, in order to invade our coast.

The navy's the thing.

The sooner Congress learns this fact, the better it will be for the nation at large.

Kansas City Star, May 29, 1916

BETHLEHEM'S PUBLICITY POLICY

Attention is called to the second advertisement of the Bethlehem Steel Company, appearing in The Star, as an example of the policy of frank publicity in contrast to that of secrecy that so often characterizes the plans of big corporations.

The Bethlehem Company has 7 million dollars invested in an armor plant.

It is proposed in Congress that the Government build an armor plant of its own.

Naturally this proposal is being fought by the company.

So it is going before the country with a series of advertisements, explaining frankly that its purpose is to save its 7 million dollar investment, and telling what terms it is willing to make in order to keep its plant in operation.

The procedure is open and above board.

Whatever may be thought of its argument, at least there can be no question that it is adopting an intelligent and fair method of presenting its case to the people.

The public appreciates that sort of an attitude on the part of a big business institution.

St. Louis Times, July 7, 1916

BETHLEHEM'S OFFER TO U. S.

We hold no brief for the Bethlehem Steel Company but that Corporation has made to the United States Government a most notable offer which demands and engages attention.

The Government at Washington has been thinking of putting $11,000,000 into an armor-making plant.

The Bethlehem people, who are sufficiently versed in the making of armor to know whereof they talk, tersely lay down this proposition:

"The Bethlehem Steel Company will manufacture armor plate for the Government of the United States at actual cost of operation plus such charges for overhead expenses, interest and depreciation as the Federal Trade Commission may fix. We will agree to this for such period as the Government may designate."

This sounds like business patriotism.

Why shouldn't such a proffer be met by a Government?

Nebraska

The Beatrice Daily Sun, April 14, 1916

ARMOR PLATE

. . . The arguments are no doubt entitled to more consideration than they will get. The chief reason for the Government investing eleven million dollars in a plant to manufacture armor plate is to protect the Government against being imposed upon. Here is one of the big steel companies of the country offering to permit its prices to be fixed by the Government. Aside from the price and quality, it is not likely that anything would be gained by a Government plant.

Government ownership would be costly and inefficient, if we may judge by what we see of it.

It should be carefully considered if better results cannot be obtained by some such plan of co-operation as is proposed. In time of war the Government can requisition factories of any kind, and it is possible at any time to make provision for a plan by which all such utilities should be conscripted in time of danger or at any time.

Government ownership would be costly and inefficient, if we may judge by what we see of it.

—The Beatrice Daily Sun, April 14, 1916

New Hampshire

Manchester Union, May 26, 1916

AN ARMOR PROPOSITION

. . . Granted that these arguments are ex-parte in the nature of things. Granted that the steel companies have more at stake than any other element in the threatened federal invasion of their industrial sphere.

They make no attempt to deny or belittle this consideration.

Even making its offer to supply armor at the Government's own price is admittedly sound business policy for the Company. What of it?

If, as the Company avers, the acceptance of the offer would avoid a waste of at least $11,000,000 of public money, besides preserving a private industry unimpaired, the thing is certainly worthy of serious consideration.

If developments should bring to light anything cryptic in the Company's offer, the Government at any time could revive the federal armor plant plan and put it into operation at will.

Meanwhile, the Government might do a great deal worse than consider the Bethlehem Steel Company's offer.

New Jersey

Newark News, June 1, 1916

SOME ELEMENTARY ECONOMIES

. . . The Bethlehem Company is willing, under a sweeping pledge many times repeated, to submit its prices to official regulation by the Federal Trade Commission.

The object of the pending appropriation—if that be price regulation—can be attained without embarking upon Government manufacture and without confiscation of private property.

To the argument from ethics and economics there is thus added the argument from expediency against this legislation.

The Senate has voted for an $11,000,000 appropriation, and the House yesterday tacked an amendment to the naval supply bill for the same purpose.

Unless the House amendment is reconsidered the appropriation will pass, and the fact that the President, if opposed to a Government plant, would be compelled to veto the entire naval supply bill, makes a veto unlikely.

This needless and dubious experiment is therefore ticklishly near.

Newark News, July 5, 1916

STRIKES THE RIGHT KEY

But perhaps the greatest single good omen is the attitude of the Bethlehem Steel Company, which has broadened its original offer and declares itself ready to make anything it can manufacture, and not only armor plate, at the Government's own price, should war come. That spirit strikes the true key. It is a spirit of national service, a readiness to do the nation's work for a reasonable compensation.

Camden Post-Telegraph, May 27, 1916

VALUABLE FACILITIES

. . . The Bethlehem Steel Works may give to the United States Government the same valuable service which the Krupp Works give to the German Imperial Government, but a purblind "pork"-loving Congress threatens the destruction of all private armor plants.

Montclair Montclairian, May 3, 1916

IS ARMOR PRICE TOO HIGH?

. . . This would seem to dispose of the second question and to lead to the conclusion that—

Fair treatment of the private interests producing armor plate would result in a saving to the Government over any cost it could produce by its own manufacture.

Newark News, July 24, 1916

THE NAVAL BILL

. . . The Senate has retained the item of $11,000,000 for a Government armor plate plant in spite of the strenuous efforts of the Bethlehem Steel Company to defeat it, and of its offers to furnish the Government with armor plate **practically at cost. This might be a good place for compromises without affecting the nation's safety. . . .**

"This needless and dubious experiment."

Newark News, June 1, 1916

New Jersey—Continued

Burlington Enterprise, July 12, 1916

SHOULD NOT BE PASSED

The Naval Bill now before the Senate carries with it an appropriation of $11,000,000 for the erection of a Government armor plate, something which is not needed in view of the fact that the Bethlehem Steel Company offers to furnish armor to the United States at its own price. . . .

. . . All records kept show that plants managed by Uncle Sam are not managed on lines of strict economy, which of course enhances the cost of the product.

Therefore it would be the part of wisdom to accept the company's offer, and if there is a surplus of $11,000,000 in the U. S. treasury it could be devoted to some more praiseworthy object. . . .

New Mexico

Albuquerque, July 9, 1916

NO LOBBY TO URGE ITS VIEWS

Recently the Bethlehem Steel Company has been issuing some marvelously powerful publicity matter, stating its opposition to Government-owned armor plants and its proposition to the United States Government. On the cover of the latest of these it states:

"The Bethlehem Steel Company maintains no lobby to urge its views at Washington. It is relying on publicity to get its position before Congress and the people."

If the interests directing Bethlehem Steel had been as firm believers in the power of frank and full publicity during the past twenty years as they are to-day they probably would need to maintain neither a lobby at Washington nor a publicity staff and a printing plant to protect their interests now.

New York

. . . Surely no more liberal and equitable contract than that offered by the Bethlehem Steel Company could be drafted.

—New York Sun, April 3, 1916

New York Evening Post, March 22, 1916

AFRAID OF THE FACTS?

. . . The great reason urged in favor of a Government plant is that the private concerns get extortionate prices for the armor; are the advocates of the scheme afraid that the facts may show that the Government gains nothing by having its own plant?

If they think the showing would be favorable, why do they not welcome a chance for a convincing demonstration of the soundness of the new move?

Mere aggregate statements of current expenditure and current output, without analysis showing overhead charges, depreciation, etc., will be far from sufficient to determine the matter.

Journal of Commerce, March 23, 1916

THE ARMOR PLATE FACTORY

. . . The Government being the only customer for this particular product, the act is expected to put an end to contracts with private manufacturers for supplying it.

That will cause a heavy loss to two or three establishments which have invested large sums in equipment for making the plate required.

The Bethlehem Steel Company alone has $7,000,000 in armor plate plant which it was induced by the Government to construct in order to provide the material for the navy in competition with two other concerns. These private works may not be rendered entirely worthless, but the Government can hardly purchase them for its own use, and they will have to be converted to other purposes.

There is not the least probability that armor plate will be made by the Government at less cost than it could be obtained for by contract with private steel works, but it may thereby be made of some political use.

That seems to be considered more important than economy.

New York Herald, March 24, 1916

A GOVERNMENT ARMOR PLANT

. . . The erection of a national factory is an experiment of the most difficult character.

Its production possibly for years may be open to doubts, and because of its specially limited extent in the matter of supply and demand its success must destroy what private enterprise has created.

New York Sun, April 3, 1916

THE BETHLEHEM STEEL COMPANY TO THE UNITED STATES GOVERNMENT

. . . Surely no more liberal and equitable contract than that offered by the Bethlehem Steel Company could be drafted.

It would put the price of armor absolutely within the control of the Government itself; the customer through an agency of its own creation, would fix the sum to be paid; and the maker bids itself to accept that price "for an indefinite period."

In the presence of this proposal, what serious argument can be advanced in behalf of the great Josephus's socialistic scheme?

New York—Continued

New York Times, April 5, 1916

GOVERNMENT OWNERSHIP

. . . Take the case of the armor-plant proposal.

Would the Government merely set up the armor-plate plant?

In that case the Government would lose many benefits available to iron and steel plants which produce the armor from the ground to the ship's side.

Not only would the Government miss many economies, and thereby produce dear armor. The result of the partial production would be that the Government would still be paying many of the hateful private profits.

Where would the Government stop?

Would it buy iron mines and ore freighters?

Or would it make armor at a loss, charge the difference to the taxpayers, and cripple the armor plants to boot?

Wall Street Journal, April 5, 1916

GOVERNMENT ARMOR PLATE

The proposition now is to put $11,000,000, the price of a dreadnaught, into a plant to manufacture armor, when not even the plea of economy can be summoned to justify the experiment.

If the Government cannot build a vessel on even terms with a private concern, can it erect a great plant and, under a politically appointed organization caring nothing for expense, manufacture a ton of armor plate as cheaply or as well as those whose business it is to manufacture armor?

A steel company must meet competition and yet show a favorable balance sheet.

The Government has no competitors and pays no dividends. When there is a deficiency the income tax is increased to make it up.

The question for a taxpayer to ask himself is, whether under the guise of national defense, he is to be further taxed to help pay dividends on an unlimited amount of political capital.

Wall Street Journal, April 17, 1916

A LOBBY AND A LESSON

Whatever may be the merits of the Government armor plate question, the publicity campaign of the Bethlehem Steel Corporation must provoke admiration.

It could not be altogether "disinterested," but neither has it pretended to be. It has not found it necessary to resort to oratory. It has answered rhetoric with fact; it has answered fiction with fact; it has answered calumny with fact. Its appeals have aimed not so much at eliciting pity for its own plight as at showing what the passage of the Government armor plate measure would mean to the general public, to the taxpayer, and to the cause of national defense.. . .

No question-begging epithet, not even "Wall Street," has more odium attached to it in the public mind than the word "lobby." It is to the credit of Mr. Schwab and Mr. Grace that they have succeeded in wiping out part of this reproach. Their lobby has been open. It has been frank. It has sought to influence Congressmen through their reason, and not through their pocketbooks (possibly this acounts for its seeming ineffectiveness.)

—Wall Street Journal
April 17, 1916

New York—Continued

. . . There can be no doubt that had the terms suggested by Mr. Schwab been advanced a year ago they would have been gladly accepted. . .

—New York World, April 7, 1916

[That being the case, is there any reason why our offer should not now be accepted, rather than plunge ahead with a wasteful expenditure of $11,000,000?
Bethlehem Steel Company.]

New York Evening Sun, April 15, 1916

PUTTING THE NAVY IN BUSINESS

. . . If the Government is its own armor maker, a keen official incentive to detect imperfections in the product will no longer exist, just as it no longer exists in respect to Government-built ordnance and ships.

The best energies of the navy personnel will go into manufacturing, at the expense of preparation for what the navy alone can do.

Finally, the private manufacturers, instead of being taught in time of peace how to second in the shops the work of the ships on the sea, will be taught nothing save the advantage of letting the navy care for itself.

On all these three accounts a navy armor plant will lower naval efficiency.

Journal of Commerce, April 8, 1916
Engineering and Mining Journal

THE ARMOR PLATE NONSENSE

. . . This offer, which strikes us as the acme of fairness, is made by the Company to conserve if possible its investment of over $7,000,000, which investment was made at the request of the Government. It looks to us as though Congress were deliberately contemplating spending $11,000,000 of the people's money for an unnecessary purpose. . . .

Journal of Commerce, May 17, 1916

. . . The Navy Department already has at hand and makes public the prices paid by foreign Governments for armor and, as has been shown in these columns, it is higher, in some cases nearly 50 per cent, than in the United States.

The only power maintaining an armor plant of its own is Japan, and in spite of the supposed advantage of public ownership and the low labor cost in Japan, the cost of the product is considerably higher than the price paid by the United States, including the "individual profits" and all other charges to which the privately-owned plant is subject. . . .

New York Herald, April 6, 1916

. . . Nor is this all. These legislators, some of them honestly mistaken, insist through their action that some hocus pocus of ingenuity will enable the Government factory to produce within two years at a less price than that now offered armor equal in quality and sufficient in amount to satisfy the insistent necessities of national defense. . . .

N. Y. Evening Mail, April 29, 1916

. . . For the armor plant alone it is proposed to make an initial appropriation of $11,000,000 **and nobody would attempt to forecast what the expenditure would be by the time the plants were completed and put in complete running order. . . .**

. . . These offers on their face seem so generous and practical that they should at least be given a thorough investigation by Government experts to determine whether or not the acceptance of them

New York—Continued

would not be to the advantage of the Government, as against the proposals to appropriate many millions of dollars to be expended for private manufacturing under the direction of politicians who have no practical knowledge of the business they are about to enter into. . . .

New York Evening Sun, July 24, 1916

A GOVERNMENT ARMOR PLANT

Of all the ill advised or disingenuous proposals which have been aired in the present Democratic Congress, the bill providing an appropriation of $11,000,000 for the construction of a Government armor plant with a capacity of 20,000 tons a year stands in the forefront of wastefulness. It is included in the Navy bill and has passed both houses. There is unhappily small hope of killing it in conference.

This project could originate only in wisdom superior to recognized facts. The intention is to have the Government expend the money to build a colossal plant, which of course can be operated only by persons skilled in this great industry.

These persons are naturally at present engaged in operating private armor plants in various large communities which have been built up entirely by these important companies, which would be put out of business—as would any conceivable private concern—by aggresive Federal competition.

The Bethlehem Steel Company has invested in its armor plate business about $7,000,000. It publishes reports showing that it has never charged the Federal Government exorbitant prices for its product, and that the Government is now paying much less for armor than any other nation and getting a better product.

It now offers to manufacture one-third of the armor plate required for the contemplated three year naval programme, approximately 120,000 tons, at a price of $395 a ton, which is $30 a ton less than it is now receiving.

This price is lower than has been paid in the last ten years. It is evidently much lower than the cost to the Government in a Federal plant would be.

The only argument employed in good faith for the Federal plant is that such a plant would be constructed in a part of the country not itself so exposed to an enemy's attack as is the present center of the country's general steel and armor plate industry, now dependent upon the Lake Superior ore supply, which might be menaced by the same enemy. To this argument made by the Manufacturer's Record of Baltimore, the president of the Bethlehem Steel Company makes the following response:

"Your suggestion that the present armor plants are dependent entirely on Lake Superior ores is wholly without foundation. In the first place it takes very little ore to make all the armor plate which is necessary for the United States navy in a year. There are ample deposits of ore for such purpose in central Pennsylvania. Besides that there is always a large amount of pig iron at the various iron and steel plants throughout the country, and the available supply of pig would at any time be sufficient to manufacture all the armor which might be required.

There is the further fact to consider that if, as you suggest, access of the United States to Lake Superior regions via the Soo Canal should be cut off and the armor plate plants near the seacoast, such as at South Bethlehem and at Philadelphia, should be in possession of an enemy it would be safe to assume that our entire seacoast would then have been captured and our navy rendered powerless.

It would then be impossible to construct a naval ship on the seacoast, and armor, whether manufactured at Pittsburg or Alabama would be useless."

The estimate of the cost of the proposed plant was made several years ago; since that time prices of both

. . . The armor-plate plant proposition in the naval bill looks like Government ownership gone mad.

—Troy Times
June 3, 1916

New York—Continued

labor and material have so risen that $15,000,000 would scarcely cover the expense.

Vigorous protest against the idea has been made by minority members of the Senate Committee on Naval Affairs of which Senator Tillman, who introduced the bill, is at the head.

It is impossible to avoid the conclusion that prejudice and lack of accurate information have been strong factors in pushing this unsound measure forward. So destructive and unfair a plan has seldom been proposed, even by the present indescribable Congress.

Morning Telegraph, June 19, 1916

$11,000,000 TO TEST ARMOR-PLATE THEORY IN PATERNALISM

. . . Having read with much interest the literature which is being sent out by the Bethlehem Steel Company, I am constrained to say that I never have, in all my life, heard of a fairer proposition, or one that should carry greater weight, even from a purely sordid and practical viewpoint.

The Bethlehem agrees to save the Government $11,000,000 at the very source, by rendering unnecessary the building of a plant. "We offer," says one of its circulars, "to place all the cards on the table—to open our books to the Federal Trade Commission, and to put our experience, our facilities and our economies at the service of the nation upon such terms as the Government itself shall name as fair."

And the answer to this essentially practical, business-like and non-hysterical proposition is that it is "an eleventh-hour repentance."

Suppose it is. What difference does that make? If the terms are favorable to the Government, and who will dispute that they are, how can it possibly affect the situation whether the Bethlehem has always dealt in an altruistic manner with the Government or not?

Surely the object of the new armor-plate plant is not punitive! How many votes would it have got in the House if its proponents had frankly avowed that their purpose was to punish privately owned factories already in operation?

And what excuse can Senators make to their constituents if they vote to expend $11,000,000 of the people's money for a factory, when there is a factory already at their disposal, free of cost, with trained and experienced men in charge, ready to manufacture armor-plate "on the Government's own terms?" . . .

Brooklyn Times, July 18, 1916

ARMOR PLATE

While every efficient Government in the world under the sharp urging of war conditions, is co-ordinating its industrial resources, so that where the industrial machinery behind the State is weak it may be strengthened, we are preparing to destroy an

SOME GOOD IN THEM

The Bethlehem Steel Company, one of the corporations denounced by Senator Tillman as a rapacious, unscrupulous trust that should be punished by being deprived of contracts for armor plate, has retorted by placing its factories and all its resources at the service of the Government in case of war. A serious conflict might serve one good purpose if it proved to demagogic, narrow-minded members of Congress that even successful Americans have some good in them.

—Rochester Democrat-Chronicle, July 2, 1916

New York—Continued

With these facts in mind, the Company asks whether it is fair for the Government to destroy this private industry. There can, of course, be but one answer. . .

. . . Can the United States afford to adopt a policy that would have brought disaster to England? The question answers itself.

—Rochester Post
April 10, 1916

industry indispensable to the military arm during a time of war and economically useful in time of peace.

One of the items in the Navy bill is a provision for the appropriation of $11,000,000 for the construction of a Government armor plate plant. The construction of such a plant means the scrapping of the privately owned armor plate plants of the country. Their main outlet in times of peace is in the production of about 10,000 tons of warship armor a year for the United States Government.

These plants have cost vast sums of money and they will be useless to their owners during peace times, as the United States will make in the plant now proposed all the armor it needs for its own ships.

Should war come, however, it would soon be found that the Government plant would have to be supplemented by privately owned plants, and such plants would not exist. . . .

. . . Naturally, the Bethlehem Steel Company as the owner of one of the plants doomed to destruction by such a policy, makes an appeal to the public as against the politician, and asks the pertinent question:

"Isn't it wiser to maintain present plants and let the Federal Trade Commission fix the price at which armor shall be supplied?"

It would seem to be so. The Government can always protect itself in the matter of the price it pays, if it will. . . .

Brooklyn Citizen, July 18, 1916

THE ARMOR PLATE QUESTION

. . .Were we engaged in a big foreign war it might be a misfortune not to have any other source to draw upon for armor plate than that conducted by the Federal authorities, just as it would be a misfortune under similar circumstances to have no other shipyards fit for the building of warships except those owned by the Government. . . .

Albany Evening Journal, April 18, 1916

WHY EXPERIMENT NOW?

. . . Why spend $11,000,000 on an experiment when the Government has such an offer?

Give us a fighting navy now and let the question of armor-plate manufacture go over until we shall have ships and equipment sufficient to feel that we are well protected from any possible foreign invasion.—From Buffalo Express.

Albany Knickerbocker Press, June 3, 1916

GOVERNMENT CONFISCATION

. . . Seriously, this armor plate plant proposition is bad from every standpoint.

The three steel companies which have armor plate plants have invested in them $20,000,000 at the solicitation of the Government. Their profit has been only a fraction more than one per cent. In ordinary steel making profits exceed ten per cent.

The companies are now receiving for their product $425 a ton, which is less than any other country in the world is paying. Japan, which owns its plant and employs the cheapest of all labor, has a cost of $490 a ton. England pays $503 and France $460.

The Bethlehem Steel Company has offered to guarantee to furnish armor plate to the Government for an indefinite period at $395, or at any other price to be fixed as fair by the Federal Trade Commission appointed by President Wilson.

The offer to reduce the price is not made because the present price is too high, but because a $7,000,000 plant, employing 3,000 men, will be rendered useless and valueless if the Government plant is built.

New York—Continued

Any return, however small, would be better than the loss of the whole investment.

But in the face of all the facts—and in the face of the further certainty that the $11,000,000 mentioned as a starter will not even build the plants proposed, to say nothing of providing the coke fields, the furnaces, the ore beds and the specialists and experts without which they will be useless—the Democrats are going ahead.

This is harvest time for them. They are taking no chances of wishing later that they had been more bold.

Buffalo Express, March 22, 1916

BUY THE ARMOR PLATES

. . . The only problem which would confront the Government in dealing with the Bethlehem Company and the others, for they probably will follow the Bethlehem's example, would be in making a hard-and-fast agreement for a long term of years and in seeing that all the parts of the agreement are faithfully carried out.

But it should be comparatively easy for the Government to protect itself in this matter. It certainly is worth while to try to save the millions which would be used in the experiment that is proposed under the Tillman bill.

Buffalo Express, July 20, 1916

BOUND TO SPEND $11,000,000

By a vote of 51 to 17 the Senate yesterday refused to strike the provision from the naval appropriations bill for a Government armor-plate plant.

No one has seriously expected that this scheme would be abandoned. It is a great pity to invest $11,000,000 in such a plant when the Bethlehem Steel Company offers to sell plate to the Government without reservation at a price to be fixed by the Government.

The hope has been that the Government would accept this offer and deal with the armor-plate matter in a business-like way.

But the Senate is bound to spend the $11,000,000 and spent it will be, of course. . . .

Buffalo News, May 27, 1916

DOWN TO TRUTH AND FAIRNESS

With preparedness the foremost consideration of the present Congress, the matter of a Government armor plate factory has brought many interests into conflict.

The campaign of the Bethlehem Steel Company against a Government controlled armor-making institution was to be expected.

Up until now their arguments have only elicited smiles and facetious comment. Of course, the Bethlehem Steel Company is against the Government manufacture of armor plate; it takes their share of the vast profits. This has been the deduction.

Apparently the weakness of their own case has spurred the Bethlehem Steel Company to the business of truth, absolute and untrimmed.

It has stirred them to an honest, frank explanation of their opposition to the Government institution. . .

Kingston Daily Leader, July 6, 1916

AN INTERESTING SITUATION

The proposition that the United States Government should enter into the business of manufacturing armor plate for its battleships, etc., by investing $11,000.000 in its own plants, is now being considered by the House of Representatives. As a matter of fact an appropriation carrying this amount has passed the House.

This policy on the part of the Committee on Naval Affairs, carried to its conclusion, would mean that the plants now in existence and operated by private capital would be closed perhaps, and the physical property made valueless.

The Bethlehem Steel Company, the corporation that would be most vitally affected, has been taking the people of the United States into its confidence, through the medium of newspaper space, and wants its side of the situation known.

We have read some of the statements made by and on behalf of this company and have read some of the testimony adduced before the Committee on Naval Affairs and cannot but feel that, on the face of the

New York—Continued

testimony that has been made public and on the strength of the exhibits made, the Committee on Naval Affairs and the Congress itself would do pretty well to allow this matter to rest as it is, or at least to listen to the very fair propositions made by the officials of the Bethlehem Company.

What the Government would gain or where the Government would profit by investing a great sum of money for plants to duplicate those already standing and equipped and organized, when so fair an offer as has been made by President Grace of the Bethlehem Company is at hand, we cannot see.

It is a situation that should be watched in its developments until a final decision has been made.

The situation would seem to merit more of newspaper comment than it has been receiving.

Kingston Daily Leader, July 26, 1916

NOT YET TOO LATE

At this time above all others, when great sums of money are needed for preparedness measures, measures that are absolutely needed and that the people of the country approve of and demand, there should be no inclination of the Congress of the United States to experiment with the building of armor plate, by the expenditure of $11,000,000 as the first cost of a plant.

The fairest business proposition that could be submitted to a Congressional committee has been submitted by the officials of the Bethlehem Steel Company, in effect, this Company pledging itself to produce armor plate for the Government of the United States in such quantities as may be needed or wanted, at the exact cost of materials and labor, plus a proper interest on the money invested in the plant, and plus again an allowance for depreciation of the physical plant. This proposition is equivalent to offering to turn over to the Government the entire plant of the Bethlehem Steel Company without cost and running and managing it with the trained organization that has been assembled during the years it has been in existence. . . .

. . . It may be true that this offer of the Steel Company should have been made sooner. But even though it was not put forth as early as it might have been, it is not yet too late to have the Government avail itself of it. . . .

Rochester Post Express, May 26, 1916

DISCUSSION IN THE OPEN

Writers in the press who make capital of attacking "big business" condemn the Bethlehem Steel Company's campaign against the naval bill's armor-plant provision on the ground that it is an attempt to play politics by appealing to the public.

Without discussion here of the merits of the Bethlehem Company's propaganda, the method which has been taken is obviously right and is exactly in accord with the policy which critics of business are always clamoring for.

Here is a great corporation frankly discussing its business in the open.

When corporations are silent with regard to their affairs, they are condemned for star chamber methods of procedure; when they publish the facts of their business to the public, they are condemned for trying to confuse the public mind.

There is no justice or sense in this sort of carping.

Rochester Post, May 27, 1916

NOTHING COULD BE MORE REASONABLE

. . . If the Government makes armor under the plan that has been proposed, it will waste $11,000,000 of public money and by destroying a private industry eliminate an important factor in national defense. The question whether private manufacturers will sell at a reasonable price has been answered by the Bethlehem Steel Company, which offers for an indefinite period to make armor on terms to be fixed by the Government. Certainly nothing could be more reasonable than this proposition. . . .

New York—Continued

Rochester Post Express, June 2, 1916

. . . Now, unless Congress comes to its senses, these advantages are to be thrown away. The Government is the only customer served by the manufacturers of armor. If it builds a plant of its own, those of the private makers must be abandoned. The plan is utterly indefensible. Not even the plea of economy made by its advocates amounts to anything, because one of the manufacturers offers to accept any price fixed by the Federal Trade Commission. . . .

Rochester Post Express, June 24, 1916

A WASTE OF PUBLIC FUNDS

. . . The Bethlehem Company offers to manufacture armor plate for the United States at the cost of operation, plus such charges for overhead expenses, interest and depreciation as the Federal Trade Commission may determine to be fair.

Does any sane person entertain the slightest doubt as to what the Senate should do with the $11,000,000 armor plant item in the naval appropriation bill?

Utica Observer, April 20, 1916

HOLD IT A WHILE

It might be just as well for Congress to keep that armor plate bill in abeyance for a time.

The private plants will make favorable agreements with the Government, and they are equipped and ready.

We need all our activity and all our money in pushing forward other necessary enterprises.

Elmira Advertiser, April 13, 1916

A LESSON IN PATRIOTISM

Even if no question of sound business policy were involved in the proposal to establish a Government plant for the manufacture of armor plate, the Bethlehem Steel Company would appear to better advantage than the Secretary of the Navy in discussion of the administration's plan.

There is a lesson in patriotism in the corporation's latest offer to the Government, but nothing of the sort is to be found in Mr. Daniels' attempt to ruin a private industry and at the same time waste eleven million dollars of public funds in making valueless existing and adequate facilities. . . .

. . . Their attitude is fine and patriotic, and the Company, by making an offer that contains no stipulation as to profit, has left the administration without a single argument for the establishment of a Government plant.—Rochester Post-Express.

Olean Times, July 27, 1916

A PLACE TO GO SLOW

The Senate insists on the establishment of a Government armor plate plant. If the United States Government can make armor plate at a less cost than private concerns, it will be the first commodity that politics has ever succeeded in cheapening.

The only good purpose a Government plant could serve would be that of preventing private concerns from holding the Government up for unreasonable prices.

There is abundant proof that it costs the Government anywhere from twenty-five to seventy-five per cent. more to manufacture things than it does anybody else. It may be alright for Uncle Sam to own a plant of this kind, but were it to have the effect of causing private corporations to dismantle their plants, it would do vastly more harm than good.

Both the Midvale and the Bethlehem plants have offered to furnish armor plate at a price which the Government itself, after careful investigation, should deem fair.

These plants may not have made this proposition if a bill had not been pending to establish a Government plant, but it is easy to introduce a bill of that kind whenever private concerns seem extortionate, and when they refuse to be reasonable then it is time enough to build your Government plant.

New York—Continued

Poughkeepsie Star, July 6, 1916

A QUESTION OF HONESTY

An amendment to the navy appropriation bill, offered yesterday by Senator Liver, would make the proposed $11,000,000 appropriation for a Goverment armor plate plant available only in case private manufacturers refused to give the Federal Trade Commission full opportunity to investigate the cost of producing armor, or to enter into contracts with the Navy Department at prices determined upon by the commission as reasonable.

In other words if armor plate men will be honest the Government will do business with them; otherwise not. But why assume that politicians, contractors and others who will spend the $11,000,000 will be more honest than the armor plate men?

Rochester Democrat and Chronicle
March 29, 1916

AMERICAN MUNITIONS MANUFACTURE

Sydney Brooks, an Englishman, recently wrote in the New York Times a friendly warning to Americans regarding the manufacture of war supplies.

He views with disfavor the bill before Congress proposing to appropriate $11,000,000 for a Federal armor plant, and says that he feels anxious for us when he finds "Congressmen talking as though it were the one object of their existence to prevent anyone from making a profit out of anything, inveighing especially against the manufacturers of munitions." Mr. Brooks feels grateful toward American war material makers for their energetic efforts to supply the Allies, and says:

"But if I were an American I should feel equally grateful. I should realize that these colossal factories, while working for the Allies to-day, are working also for the America of to-morrow.

"I should be proud of the extraordinary skill and enterprise and far-seeing liberality with which they have been planned and conducted. I should recognize in them so many pillars of national safety, so many policies of insurance against the awful risks of being caught unprepared.

"And I should certainly do what I could to defeat any policy that threatened to destroy, to starve, or to weaken enterprises on whose instant efficiency might one day depend all the difference between victory and defeat."

. . . There is no doubt that Mr. Brooks is right when he says:

"Remember that you can raise volunteers, drill them and train them infinitely quicker than you can arm them, and that this business of turning out munitions of war is one that cannot be improvised."

Rochester Democrat and Chronicle, June 29, 1916

BUSINESS METHODS OUT OF PLACE

The Government, Congress evidently believes, engages in private business for the purpose of utilizing an easy method for squandering its excessive wealth. This attitude explains why Congress has refused to pay any heed to the offer of the Bethlehem Steel Company to manufacture armor plate at cost for an indefinite period of time, and with Government experts to supervise its books. Economy was the pretext for putting the Government in the armor-plate business, but economy was the last thing the statesmen had in mind.

Rochester Post-Express, April 10, 1916

THE ARMOR PLATE QUESTION

In a statement addressed to members of Congress the Bethlehem Steel Company says the three armor plate plants in this country were established to serve the United States Government and for that purpose alone.

This is not disputed by anyone familiar with the facts. Reporting to Congress in December, 1896, H. A. Herbert, then Secretary of the Navy, said the armor contractors had invested large sums of money in their plants, and that they entered the business at the request of the navy department.

New York—Continued

Nor is it denied that for twenty years this country has obtained a higher grade of armor and paid less for it than any other great naval power. The facilities of the Bethlehem plant are at the disposal of the Government upon its own terms.

With these facts in mind, the company asks whether it is fair for the Government to destroy this private industry. There can, of course, be but one answer. . .

. . . Can the United States afford to adopt a policy that would have brought disaster to England?

The question answers itself; but an incompetent Secretary of the Navy, not yet rebuked by his chief, insists upon forcing out of business the private firms that are furnishing armor plate at prices considerably lower than Great Britain is content to pay.

It is an amazing situation.

Syracuse Post Standard, July 28, 1916

ARMOR PLATE

. . . In reply to criticism of its methods and prices and in criticism of the proposal to erect a Government plant, from the standpoint of public policy, the Bethlehem Company claims:

That the necessary armor manufacturing capacity for the needs of the United States Government already exists;

That for twenty years the United States has obtained a higher grade of armor and paid less for it than any other great naval power.

That the experiment of a Government armor plant, where it was tried abroad, has failed.

The company further agrees to place all of the facilities of its armor plant at the disposal of the Government upon any terms the Government may impose.

The promoters of the armor plant bill in Congress have made no answer to the claims of the Bethlehem because they can make none.

They have made no answer to its invitation to take the plant on their own terms, for they can make none without condemning their bill. . . .

Troy Times, March 28, 1916

THE GOVERNMENT-OWNERSHIP CRAZE

. . . It was shown by military and naval experts of the highest standing who testified in various committee hearings at Washington that privately owned municipal works were valuable assets to the nation, and that if private armor-plate mills could furnish plate at a fair profit no advantage could accrue from the Government going into business.

That appears to be the counsel of common sense and of technical experience.

The Democrats at Washington would do well to heed the voice of wisdom and prudence.

This is a poor time to throw money away in an attempt to destroy an important private industry.

—Rochester Post-Express, July 20, 1916

Ohio

Cincinnati Times Star, March 24, 1916

BEGINNING EARLY

Already our congressmen are fashioning a pork barrel made of armor plate.

It is said that an effort will be made by Southern congressmen to have the proposed Government armor plate plant built in the Birmingham region, and that this location will be opposed by Western congressmen.

Where the Western congressmen would locate the plant is not stated.

In other words, the Government plant will not be located at a point which business principles would dictate.

And if the location is to be a matter of "politics," that symbol of inefficiency, what assurance have the American people that the armor plate will not be tainted by the same vicious system?

Columbus Dispatch, April 4, 1916

A BETHLEHEM STEEL STATEMENT

The Bethlehem Steel Company has issued a circular in which it says, apropos of the bill to provide a Government armor plate plant:

1. That it urges no plan of preparedness.
2. That, if the United States should become involved in war, it would sell to the Government any of its products at any price the Government might choose to pay, and work 24 hours a day to supply it.
3. That armor plate is the least profitable article it manufactures, though it has $7,100,000 invested in that plant.
4. The profits of the Company in 1915 were not from armor plate.
5. It will make armor plate for the Government, for five years, at a price $30 per ton less than the rate in the present contracts; or will furnish it, for an indefinite period, at any price named by the Federal Trade Commission as fair.

If this is true, the Company has at a considerable business sacrifice established the armor plate plant and would patriotically and without regard to profit serve the Government in an emergency. There is in the statement a fine spirit which everybody will appreciate, and it will be regretted that any other was ever shown. . . .

Dayton Herald, April 7, 1916

THE BETHLEHEM STEEL COMPANY TO THE UNITED STATES GOVERNMENT

. . . The only excuse for putting $11,000,000 in a Government-owned armor factory is found in the allegation that the private manufacturers have charged an excessive price for their product.

The determination of a fair price is admittedly difficult; the Bethlehem Company declares that the $425 a ton paid by the United States is less than the price paid by any great naval power, and offers to reduce this by $30.

Moreover, the Company agrees to make armor for an indefinite period at any price the Federal Trade Commission declares as fair.

Under all these circumstances, what reason can be put forward at this time for the expenditure of the taxpayers' money contemplated by the bill now before the Representatives in Congress? . . .

> The Bethlehem proposition affords the country all the protection it can require and more than it will have if it assumes the hazards of establishing and conducting a great business.
>
> *Hamilton Republican-News, June 30, 1916*

Ohio—Continued

Hamilton Republican-News, June 30, 1916

THE BETHLEHEM COMPANY'S PROPOSITION

The Bethlehem Steel Company is vigorously fighting the bill to establish a Government armor plate factory; and it is using methods that indicate that there is a higher standard in business and politics than existed a few years ago.

Instead of sending a lobby, with big money and live tips on the stock market, to work at Washington the Bethlehem Company has adopted a campaign of open letters. It has flatly made the Government this proposition:

The Bethlehem Steel Company will agree, for such period as the Government may designate as fully protecting the public interest, to manufacture armor plate for the Government of the United States at actual cost of operation plus such charges for overhead expenses, interest and depreciation as the Federal Trade Commission may determine to be fair.

It seems to us that in view of such a proposition it is unwise and unnecessary to build a Government plant. By encouraging the Bethlehem Company and other private enterprises, the country will always have them at its service if a crisis develops, and the industrial nation will be vastly improved.

On the other hand if the Government goes into the armor plate business itself it will have to meet all national requirements, as not a dollar of private capital will ever go into such an enterprise.

The Bethlehem proposition affords the country all the protection it can require and more than it will have if it assumes the hazards of establishing and conducting a great business.

And it will encourage and not destroy private enterprise which may become essential to the national safety.

Steubenville Herald-Star, July 5, 1916

AN ECONOMICAL PROPOSITION

The Bethlehem Steel Company has made a public proposition to the Government to make armor plate at actual cost of production plus a reasonable percentage for overhead charges to be fixed by an impartial commission.

As an economical proposition this would seem to discount a Government armor plant.

East Liverpool Review, March 24, 1916

SPEECH WITH THE TRUE RING

. . . The following is a portion of Senator Harding's address and ought to be approvingly acclaimed:

"I realize," said the Senator, "that it is not popular to defend the armor plate manufacturers, but I believe it to be little less than the height of folly to abandon the policy of encouraging private enterprises at this time.

"This is a very poor time to risk the development of Government armor plate making when we mean to expend hundreds of millions on super-dreadnaughts and want them not only to be the best but want them without delay.

"I think the sober thought of the country favors giving big business a square deal.

"It was once popular to 'bait' big business, without an inquiry as to the conscience which must run true in every permanently successful enterprise, but the reflective judgment to-day favors giving business its fair chance."

Ohio—Continued

Youngstown Telegram, July 21, 1916

THE PROPOSED ARMOR PLATE PLANT

. . . With the extraordinary demands being made upon the Federal treasury just now and with Congress scurrying about seeking new means of levying taxes to meet these demands, it would be gross extravagance to lay out $11,000,000 when the expenditure is not necessary.

The proposal of the Bethlehem Steel Company to furnish armor plate at a price that the Federal Trade Commission believes equitable is all that could be asked. The Bethlehem Company can make armor plate cheaper than the Government can make it because there is no waste through political inefficiency.

It can probably make armor plate and a fair profit per ton cheaper than a Government owned plant can make it, and it can probably make better armor plate too. **In the face of this the $11,000,000 that the Government proposes to spend would be thrown away. . . .**

Marietta Register-Leader, July 18, 1916

GOVERNMENT OWNERSHIP

It is a well known fact that what the Government does is expensively done. In a country where a greater part of the Government officials having important positions change each four years it may well be questioned whether an efficient, an economic system can be installed and maintained.

Just now the Government proposes to go into the armor plate business. No provision is made whereby the cost of manufacture can be given the public.

If there is any Government on the face of the earth that is making its own plate we do not know of it. . . .

Coshocton Age, July 24, 1916

THE SUBSTITUTE FOR LOBBYING

. . . Instead of secret "influence" and possible corruption, there is publicity. Instead of trying to cheat the public, they try to persuade the public with statements made by responsible men, easily refuted if they are untrue.

And the new method represents an enormous improvement in the relations between the corporations and the nation. . . .

Cleveland News, July 22, 1916

ANOTHER BLUFF?

The United States Senate having now followed the lead of the lower house in voting to appropriate $11,000,000 to build a Government armor plate mill and so free the navy department from dependence on three avaricious corporations for its supply of plate, we are assured many congressmen who voted for the Government plant did so in the belief that it would never be built. Their idea, it is said, is that the Government's authority to go into the plate business on its own account will be a sufficient "club" to coerce the private armor companies into favoring the Government with lower rates.

Perhaps it will—though Cleveland once borrowed and spent two million dollars on this club theory and, even after borrowing and spending a million or two more, achieved no noticeable success in clubbing a single corporation.

At any rate, it seems an odd way to decide the disposition of $11,000,000 of public funds—for members of Congress to vote for its expenditure for a given purpose ON THE UNDERSTANDING THAT IT WILL NOT BE SO SPENT, leaving it to some executive to say whether it shall be or not.

Oklahoma

Oklahoma City Times, July 10, 1916

BETHLEHEM'S STEEL PROPOSITION

The Bethlehem Steel Company's proposition to the United States Government, under present circumstances, ought to be pretty seriously considered. The company proposes to manufacture armor plate at cost, plus such charges for overhead expense, interest and depreciation as the Federal Trade Commission may fix. It agrees to do this for whatever period the Government designates.

As pointed out by the Bethlehem Steel Company, the Government right now is committed to enormous expenditures.

The budget is edging up toward the two-billion mark. No one can say when a policy of retrenchment may be practicable. It is not impossible that still larger bills may be contracted.

Where an investment entailing a large sum of money may be postponed, it seems to be good business policy to postpone it.

The Bethlehem Steel Company's proposition to manufacture armor plate at cost seems fair. It doesn't want any profit; it simply stipulates against loss. It may be too good to be true. If it is true it is too good to be summarily turned down.

Oregon

Portland Oregonian, May 26, 1916

. . . Mr. Daniels may think Bethlehem is bluffing. He can easily find out. Let him call its bluff.

Before investing $11,000,000 of the people's money on a plant which may prove useless, let him give Bethlehem a trial.

In these days of deficits and emergency taxes the American people have not $11,000,000 to squander on what may prove, in Mark Twain's words, "a darned experiment."

North Plains Optimist,

THE ARMOR PLATE BILL

. . . In fairness to the public whose good money would be used in the establishment of an $11,000,000 Government armor plate factory, when in such times as the present the money is needed in many other channels, and in fairness to the three big steel plants representing millions of dollars in equipment, maintenance and wage-earnings, we believe Congress, thru our state representatives should be bombarded with letters of protest against the use of Government money in that manner, especially since the steel company has agreed to furnish armor plate at a price which any commission formed for that purpose by the Government may decide as fair.

What fairer proposition could be asked, and why the apparent obstinacy of the members of the House? . . .

. . . It appears that, to go ahead with the Government armor plate factory without at least giving the steel company a chance to make good in its present offer to sell armor plate to the Government at $30 per ton less than formerly, or to furnish it at any rate that might be agreed upon by the Federal Trade Commission as being fair, will be "penny wise and pound foolish." . . .

> . . . Mr. Daniels may think Bethlehem is bluffing. He can easily find out. Let him call its bluff.
>
> —*Portland Oregonian, May 26, 1916*

Pennsylvania

Philadelphia Record, April 2, 1916

GOVERNMENTAL MUNITIONS PLANTS

. . . This Government could not set up and maintain munitions plants in time of peace that would even distantly approximate the capacity required to supply it in time of war.

In the latter eventuality the Government would have to commandeer and mobilize the industries of the country; and this would include the fixing of reasonable prices.

If the national safety requires the exercise of dictatorial powers, it is within the authority of this or any other nation to exercise such powers.

Anyhow, the Government plants with outputs limited to peace requirements could not regulate prices by their puny competition.

Philadelphia Record, April 6, 1916

A GOVERNMENT ARMOR PLANT

. . . The capacity of the proposed Government plant is to be 20,000 tons per annum.

This is more than the total requirements of the navy have been for any past year, and the consequence would be to render the privately-owned plants practically valueless. If it were contemplated to enlarge the naval program of the nation so as to double the annual requirements for armor plate, the erection of a Government plant in addition to the existing private plants would have some reasonableness.

But to destroy the latter by way of penalty for an offense not proven against them would be senseless.

And it might deprive the nation of facilities which, some day, it may sorely need.

Philadelphia Public Ledger, April 14, 1916

URGE "FIGHTING NAVY, NOT 'MANUFACTURING'"

. . . "The need for a Government armor plant, if any exists, obviously does not spring from a lack of facilities for the making of armor in this country. Plants now in existence are ample to take care of a building program for the navy double that of the past."

Philadelphia Inquirer, April 17, 1916

PASSION FOR GOVERNMENT OWNERSHIP

. . . Another and not less impressive instance of the same Socialistic tendency must be recognized in the adoption by Congress of a plan for the erection of an armor plate plant by the Federal Government at an estimated cost of another eleven million dollars.

It is one of the least of the objections to this procedure that it would destroy the utility of private plants erected at the Government's own instance at a cost of many millions of dollars, and in view of the proposition which the owners of those plants have made, it is quite indefensible, but the Democracy is obsessed by a passion for Government ownership and the Socialistic ideal is apparently the one that it is striving to realize.

Already it is squinting at the railroads and there is no telling to what lengths it will go unless an aroused and enlightened public opinion calls a halt.

Philadelphia Record, May 26, 1916

REPRESSING PRIVATE ENTERPRISE

. . . Is it worth while to drive private enterprise out of business and convert the United States Government into a huge trading corporation?

Philadelphia Press, May 31, 1916

THE NEW POLICY OF BETHLEHEM STEEL

. . . Formerly when corporations were vitally interested in legislation they did their business more or less secretly.

> **But to destroy by way of penalty for an offense not proven against them would be senseless.**
>
> **And it might deprive the nation of facilities which, some day, it may sorely need.**
>
> *Philadelphia Record*
> *April 6, 1916*

Pennsylvania—Continued

Now the Bethlehem Steel is frankly opposing the $11,000,000 armor plate plant bill, which has already passed the Senate, on the ground that it will not only injure its business, which it established for the benefit of the Government, but the Government will gain nothing by this expenditure. . . .

. . . Entirely apart from the statements which lead to the offer to permit the Federal Trade Commission to set the price, it would seem that no fairer proposal than this could be made.

The plan for the Government armor plant was sponsored by those who made charges of gouging and vast profits.

As the Company is willing to let the fate of its plant rest in the hands of a Governmental body, the excuse for passing this bill falls.

No final action should be taken by Congress which does not include the consideration of the new attitude of the Bethlehem Steel.

Philadelphia Public Ledger, May 23, 1916

NEW POLICY OF PUBLICITY

The Bethlehem Steel Company may be too late in its adoption of the policy of publicity, but it is right, nevertheless, and the "Big Business" of which it is an important representative would do well to follow its example.

Mr. Schwab's company is conducting the fight against the armor-plate plant provision of the naval bill with much ability, and by making its arguments in the open and by appealing to the judgment of public opinion, it forestalls any possible criticism as to "lobbying" methods.

Contrary to a widespread impression, even "Big Business" is entitled to a hearing on legislation affecting its affairs. . . .

Philadelphia Inquirer, May 27, 1916

NO NECESSITY FOR AN ARMOR PLANT

. . . The proposed Federal plant no longer has a leg to stand on.

Far better put the $11,000,000 into much needed ships than waste them in experiments.

Philadelphia Public Ledger, June 2, 1916

POLITICS IN ARMOR PLATE

Why should the taxpayer be saddled with another useless form of extravagance in the shape of a politically built and politically managed factory to make armor for ships?

The Government can do nothing else cheaper than it can be done by individuals or corporations. Why pretend that it can manufacture armor more cheaply?

There are only three plants in America which do make armor, and all of them are in Pennsylvania. They represent an investment of not less than $20,000,000, which was put there in good faith.

They are now willing to sell armor to our Government at a lower price than the other leading nations of the world pay for their armor.

Why tax the people to build a Government monopoly to crush this particular industry? . .

Philadelphia Bulletin, June 22, 1916

AN $11,000,000 HOBBY HORSE

. . . The Bethlehem Steel Company invites a contract for five years at prices that shall be satisfactory to the Government; it now offers to fill the Government contracts at cost and such overhead expense as shall be admitted by the Federal Trade Commission.

The quality of the work done by this concern, its capacity for immediate production and its general reliability are beyond question. Its plant and experience are all that can be desired.

The Government cannot hope to improve on manufacturing conditions in any plant or organization of its own.

It has nothing to gain, and a chance to lose much in its experiment with the eleven million dollars that ought to be appropriated toward the construction of a battleship.

> Why tax the people to build a Government monopoly to crush this particular industry? . .
>
> *Philadelphia Public Ledger, June 2, 1916*

Pennsylvania—Continued

Philadelphia Record, July 21, 1916

CONGRESS MAKING A MISTAKE

Congress is making a mistake in voting $11,000,000 for an armor plant. There are three in this country now, and they are not likely to be kept in condition to take orders if the Government goes into the manufacture of armor.

The United States has for several years been getting armor cheaper than any other country, and the armor makers have offered to sell at any price that a board of experts thinks the cost would be in a Government plant.

The success of the Government as a manufacturer is not notable, and if the Navy Department can produce armor for less than the Government is paying private contractors it will create general astonishment.

The Government ought not to be at the mercy of private enterprise that takes advantage of the lack of competition, **but when private enterprise makes reasonable prices it ought not to be put out of business.**

> **The Government armor plant is bound to be a costly experiment and, we fear, a costly failure.**
>
> *—Homestead News-Messenger*
> *June 13, 1916*

Philadelphia Bulletin, July 22, 1916

ARMOR PLATE FOOLISHNESS

. . . An eleven million dollar investment in an experiment station for the purpose of determining cost standards in the production of armor plate would be an extravagant investment, when the books of the private producing concerns have been laid open before the Government and the Federal Trade Commission has been invited to determine the cost of production and fix the price for the Government supply. . . .

Philadelphia Inquirer, July 23, 1916

WASTING ELEVEN MILLIONS

Money spent for building up a navy is well spent. Money spent in trying experiments at armor making is wasted. The Senate has agreed with the House to throw away $11,000,000 on a Government plant.

This Congress, pledged to economy, has proved to be the most expensive one in history. A little matter of $11,000,000, therefore, is not worth mentioning in its opinion. . . .

But it means something to plants already established at the invitation of the Government. To them it means destruction. And to the Government it means higher prices and a restricted output.

This scheme for Government-made armor plate is without sensible argument. There may have been a time when it could have been defended, but it cannot be now when private plants offer to submit books and operations to the Government and manufacture at a price fixed by the Government.

It may be that the Secretary of the Navy will insist upon squandering the $11,000,000, but if so it will be in spite of the advice of his own expert advisers. This is no time to give up certainty for theory; to strangle existing armor-making facilities for costly experimentation.

Pennsylvania—Continued

Allentown Call, March 29, 1916

BETHLEHEM'S PLAN GOOD ONE FOR THE GOVERNMENT

. . . President E. G. Grace of the Bethlehem Steel Company last week told the Naval Affairs Committee of the House of Representatives that his company is willing to make all the armor needed at a price to be fixed by the Federal Trade Commission.

This proposition virtually would make the Bethlehem Steel Company a Government plant.

The Government cannot hope to make armor cheaper than Bethlehem with all its twenty-nine years of experience and pay the interest upon an investment of $11,000,000.

There is no use in putting up a new plant when there is an excellent one here already, prepared to turn out all the work necessary.

There is no wisdom in causing the scrapping of a $7,000,000 business at Bethlehem, yet that is what would be the almost inevitable result if the Government were to take away all its business from Bethlehem.

The big question is not however that of the interest of the Bethlehem Steel Company or the interests even of the thousands of workmen in the Lehigh Valley and the population dependent upon them.

The question is one of national economy and sound public policy. . . .

Allentown Call, July 11, 1916

DESTROYING ENTERPRISE THAT MAY BE BADLY NEEDED

The ruin of the armor-plate plant at the Bethlehem Steel Works through the establishment of a Government-owned plant, has not yet been effected for the bill has not become law. Congress has done all it could toward bringing the act about but the bill has not yet been signed.

There is hope that it may yet be doomed, for it would be a discouragement to all that private enterprise upon which this country would have to depend in the event of a great war. . . .

Altoona Times, July 26, 1916

GOVERNMENT ARMOR-PLATE PLANT

. . . To offset the Government's position that it has been overcharged for armor plate, the Bethlehem Company agrees to manufacture at net cost plus a fair percentage of profit. It is argued that this will assure a cheaper product than the Government

> If the Senate does not smite the scheme for wasting taxpayers' money, and smite it hard, it will be because there is no common sense left in Washington.
>
> —*Philadelphia Public Ledger, July 18, 1916*

Pennsylvania—Continued

can hope to gain through a plant operated and dominated by politicians.

There is more basis for this statement than for other allegations that are appearing in the advertisements in many newspapers.

We know from sad experience that the people, through the present system, areun able to compete with private concerns.

An armor plate plant would prove an expensive luxury unless it were differently managed than other Government concerns, and there is no reason to suspect that there would be improvement for years to come.

Homestead News-Messenger, June 13, 1916

. . . The policy of the Government going into a highly skilled business and becoming a manufacturer in a large way is more than doubtful.

It means almost certain loss to the Government with eminent risk of imperfect work to be tried out by the new plant.

Of course, if the Government would employ the right men at the most advantageous point, it could make armor steel of a good quality, though probably not as cheaply, as any private concern could turn it out.

There is, however, no certainty that it would do so.

The Government armor plant is bound to be a costly experiment and, we fear, a costly failure.

Harrisburg Patriot, April 27, 1916

LINK ARMS WITH PUBLIC

In one of its recent communications to Congress appealing against a Government armor plate plant, the Bethlehem Steel Company says in its title, "A Mistake in the Policy of the Bethlehem Steel Company."

The mistake, one later learns, has been the company's hitherto refusal to take the public into its confidence; its failure to reply to accusations made against it.

As a result of these "mistakes" the company says it has suffered at the hands of public opinion.

Doubtless the company is correct in its estimate, and doubtless most other companies, if they review their pasts, will come to the same conclusion.

It is a fact that the Bethlehem is only one of many corporations which have concluded that it is folly to conduct one's business not only in disregard of the public interest but of public information.

Harrisburg Star-Independent, May 25, 1916

BETHLEHEM STEEL'S NEW POLICY

The policy of the Bethlehem Steel Company toward the general public has changed; henceforth it will take the people into its confidence through publicity, according to its announcement yesterday.

The refusal of a corporation to allow details of its dealings to be known instead of taking the public into its confidence is a mistake—the Bethlehem Company admits it by the caption of its announcement, which reads: "A Mistake in the Policy of the Bethlehem Steel Company."

While it is a "catch-line" of no mean attracting power, its truth is borne out in the announcement which has to do with the Schwab concern's offer to sell armor plate to the United States at a price the Government shall determine.

On the face of it this is even a better opportunity than the average business men get in dealings with one another.

The Bethlehem Steel Company has a story of interest to tell to the American citizenship and has agreed to pursue a policy of publicity through the newspapers to get this story before the people who make up the Government. . . .

> **It might be well for the Administration to consider that Great Britain, the greatest naval power in the world, has always been and to-day is satisfied to rely entirely upon private plants for its armor plate.**
>
> —*Lancaster New Era*
> *July 21, 1916*

Pennsylvania—Continued

Harrisburg Telegram, July 21, 1916

WILL REPEAL ARMOR BILL

. . . Any reasonable man would suppose that Congress would have taken into account this double offer.

It is a fair business proposition and is made by responsible people.

That the Government could engage in this special line of work and turn out a product of the same quality at a lower price is beyond belief.

Politics of one kind or another would be sure to get into the management of a Government manufacturing plant, and we all know what politics does to cost.

The quality being the same, private energy and private interest can always beat the Government in costs. . . .

Johnstown Gazette-Times, March 23, 1916

NOT HELPFUL TO THE NATION

. . . The proposition of the Bethlehem Steel Corporation to supply armor plate to the navy at a reduced price stated or, as an alternative, at a price which "will be entirely satisfactory" to the Secretary of the Navy after ascertainment of the cost of manufacture, may be taken as an earnest of the Company's intent to be fair as well as a final effort to forestall disaster to itself.

It is worth most careful consideration.

As the impulse to the movement for a Government plant is the belief that the manufacturers have been charging exorbitant prices, it is only just that the facts be definitely ascertained.

The product of the private manufacturers has been satisfactory; there is no certainty as to how soon a Government plant would develop beyond the stage of experiment.

Here is a chance for the Government to get valuable information that perhaps it does not possess, despite inquiries which it has made.

If a publicly owned plant would be a mistake, now is the time for those who are sure it would be a blessing to find it out.

Johnstown Democrat, April 7, 1916

THE BETHLEHEM PEOPLE SCORE

The Bethlehem Steel Company has succeeded admirably in presenting not only an impressive but a dignified opposition to the Government armor plate mill proposition.

The steel company's case is stated frankly—and publicly.

There has been no disposition to distort the facts and every possible effort to stimulate discussion has been put forth. . . .

* * *

. . . It is in the concluding paragraph of its latest statement, however, that the Bethlehem Steel Company makes a ten strike. It says:

"We offer to place all the cards on the table—to open our books to the Federal Trade Commission, and to pit our experience, our facilities and our economies at the service of the nation upon such terms as the Government itself shall name as fair."

It would be impossible to ask for a more reassuring statement. The Government's whole case is conceded. "You want fair treatment," says the steel company. "Very well, you tell us what is fair."

Up to the present time the armor plate people seem to have the best of the argument.

Johnstown Leader, July 6, 1916

NO COST ACCOUNTING SYSTEM

Bethlehem Steel Company, in its little reminders to Members of Congress, calls attention to the refusal of the House to amend the Tillman $11,000,000 armor plant bill so as to provide a system of bookkeeping exhibiting every item of expense, direct and collateral, which may be charged against the preparation of plans, the selection and purchase of a site, construction and equipment of the proposed plant and the cost per ton of the output.

Refusal to institute an adequate cost accounting scheme, says the steel company, means that the people will never know what Government-made armor costs.

Pennsylvania—Continued

Why should they know?

Under Democratic administration this Government is not run that way.

The object of the Tillman bill is not to produce good armor, at any price, high or low.

It is to use some sentiment, created by false statements, as an entering wedge for Government ownership.

To figure costs and make public the figures would betray the weakness of the whole Government plant argument.

Johnstown Leader, July 24, 1916

REFUSING TO TELL FACTS

. . . No Government officer or member of Senate of House to this day has been able to show that Uncle Sam can make armor as good or at as low a price as it is offered by the Bethlehem Steel Company. . . .

Pittsburg Dispatch, March 26, 1916

THE ARMOR PLATE FOLLY

. . . It is impossible to imagine any possibility of advantage to the Government in going ahead with this project, but it is quite clear how it can do inestimable damage to our preparedness facilities.

First, the Government plant cannot be built within four years. Is Secretary Daniels prepared to delay the construction of ships authorized a year ago, and not yet begun, another four or five years?

With the Government given a monopoly of armor making what will be left for the private manufacters but to go out of business?

The nation will then be just that much less able to furnish armor should war threaten. Would it not be wiser to follow the German custom and encourage, rather than destroy, private enterprises able to supply armor, guns and munitions in emergency?

Pittsburg Press, March 27, 1916

PROMISES OF PIE

The Bethlehem Steel Company's appeal to Congress to be honest and just in the armor plate matter would not be without effect if there were fewer demagogues in Congress, or if there were more than one State interested in the armor plate industry.

As it is, the Company is probably wasting its eloquence. Doubtless the administration wire-pullers have promised no less than two dozen States that they shall have the proposed Government plant. For an administration whose head "has no motives less than six feet tall" this one is particularly free from scruples as to promises of pie.

Pittsburg Leader, March 30, 1916

LOOKING FOR WAR

. . . The Bethlehem Company guarantees to make the armor for a price equal to the lowest possible cost in a Government mill. That takes away the question of price. It leaves no decent ground upon which to build a Government plant.

The Bethlehem and other armor plants can make armor plate better, quicker, and at as low a cost as a Government plant at the highest efficiency. . .

. . . Under the terms of the guarantee made by the Bethlehem Company the Government can get all the armor plate it needs at the same cost at which a Government plant could make it. . . .

THAT ARMOR PLATE PLANT

. . . There really should be a way of handling the armor problem that would render a Government plant an unnecessary luxury.

—Jownstown Democrat
June 3, 1916

Pennsylvania—Continued

Wilkes-Barre Industrial Gazette, July14, 1916

A FAIR AND SQUARE OFFER

. . . The public is under no obligation to the Bethlehem Steel Company but the business proposition it makes has so much the appearance of fairness that the public undoubtedly prefers its acceptance to the erection of a Government plant, manned by political appointees, subject to wage increases through political pressure, and unable to supply armor plate fast enough in time of emergency.—Wilkes-Barre Record.

Williamsport Sun, May 26, 1916

CORPORATE PUBLICITY

Another giant corporation has recognized the proper value of publicity. The Bethlehem Steel Company has just announced that hereafter its policy will be to take the public into its confidence and through circulars and newspapers will make known its inside workings, so far as possible.

This is the policy adopted some time ago by the Pennsylvania Railroad and other great railroad systems, and from which they would not now depart. It is one of the means by which the railroads have advanced so rapidly during the last few years. "Tell the other fellow your business and he can not help taking an interest in it."

That would be a good slogan for any large business man to pursue if he would hold the confidence of the people with whom he wishes to trade. If a man nowdays has something to sell, it must be shown above the counter, and the purchaser must have an opportunity to prove and test the goods. In other words, the public is much wiser than it was years ago. It reads and it understands. The newspapers, with their possiblities of wide dissemination of information, are largely responsible for this condition.

The Bethlehem Steel Company, hitherto one of the most close-mouthed corporations in the country, announces that it has made a mistake in the past in not letting the public know something about its business.

The announcement of its new policy is headed "A Mistake in the Policy of the Bethlehem Steel Company." In its offer to the United States Government to sell armor plate at a price to be determined by the Government, the steel company has a story of great interest to every American, and it cannot get that story to the ears or eyes of every American without the aid of the newspapers and other means of publicity. Hence the steel company's reverse policy.

Recent years have seen many changes in the policies of corporations toward the public but none have undergone more extensive change than the policy of publicity.

Contests for and against legislation have been carried on in late years through newspaper advertising to the mutual advantage of the corporations and the people who before were kept in ignorance of the plans and programs of big business, with the result that there was always an enveloping cloud of suspicion and distrust about its business in the minds of the public.

All corporations, large and small, should see the value of publicity and should so shape their policies that all matters of public interest should be presented to the public in the right manner. through official announcement by corporation officials.

Such a course has a constant steadying influence upon big business, tending to remove those practices which in times past laid them under the burden of public suspicion and condemnation, from which they have been suffering grievously of late.

Rhode Island

Providence Bulletin, March 24, 1916

BETHLEHEM'S OFFER

. . . If the House and President Wilson are determined to back up Senator Tillman and Secretary Daniels in an adventure which will not reduce the cost of armor-plate, but which will reduce our national resources for manufacturing it, they will of course follow the lead of the Senate and refuse to entertain the very fair proposal of the Bethlehem Company.

If "pork" for politicians and cheap political capital to be coined out of trust-baiting are not the true objects of the Tillman bill, that foolish experiment in Government ownership and operation will be abandoned.

Providence Journal, June 22, 1916

THE ARMOR PLATE ISSUE

. . . It would be unfair, of course, to destroy, by Government competition, the business created by private capital expressly for the Government, the only customer for armor plate.

The capital invested has had a fair return, very likely, and is entitled to it. If the profits have been excessive—and that has not been shown in any of the hearings before the Congress committees—it is, nevertheless, a consideration of importance at the present juncture, that the operation of a Government plant would probably cost the taxpayers excessively.

It is a tolerably safe assumption, in short, that the country would be money in pocket if the stiffest prices were paid for private work, by contrast to the inevitable extravagance of Government operation. . .

Providence Tribune, July 2, 1916

GOVERNMENT INEFFICIENCY

New legislation actually penalizing methods of efficiency in Government industrial establishments is apparently going through, in spite of all the efforts by business men, engineers and manufacturers to stop it.

Unless the President interferes with a veto, the Fortifications Appropriation bill will go into effect carrying Representative Tavenner's rider which prohibits scientific management in Government establishments.

This, however, will be only another illustration of the shameful fact that Congress cares nothing for cost of production.

The Senate, for example, rejected even the proposal for the investigation of the cost of armor before ordering the establishment of an armor plate plant; and the Navy Appropriation Bill carries as a rider a clause imposing a fine and imprisonment on any Government official who uses the methods of efficiency which alone can produce cheap armor or anything else.

Rhode Island—Continued

Providence News-Democrat, July 20, 1916

THERE DOES NOT SEEM NEED OF A GOVERNMENT FACTORY

. . . Whether the Government can furnish a thing needed far below what private capitalists will furnish it for the last class is a matter to be determined by cold, complete and intelligent consideration of cost and profits.

While the Government of the United States have been able to buy armor plate cheaper than European countries the impression has got abroad that the armor plate companies have not always dealt fairly with the Government; but when a corporation like the Bethlehem Steel Company makes the proposition to the Government that it will furnish armor plate to the Government on the Government's own terms it would be well to delay the building of a Government armor plate factory.

Experts declare that the expenditure of $11,000,000 on the proposed Government factory will not put it into a condition to furnish the armor plate necessary for the vessels that are to be built.

On the other hand the stockholders of the Bethlehem Steel Company and some other corporations if this factory is built will lose millions of dollars already invested in armor plate factories.

The Government tells the railroad company what are fair rates for freight and passengers.

Its experts can easily tell what is a fair price for armor plate—and the Government will have to pay at least a fair price—perhaps if it builds its own factory, judging by some deplorable examples, it may have to pay far more than a fair price for its armor plate and should be willing so to do.

No corporation or individual sufficiently successful in the armor plate or steel business to boss a factory would be foolish enough in these days to try and fool the Government, and accordingly the Bethlehem Steel corporation offer does away with the necessity of taking any chances with a Government armor plate factory.

South Carolina

Rock Hill Herald, May 31, 1916

A REMARKABLE NATION-WIDE ADVERTISING CAMPAIGN

. . . The Herald commends the wisdom and foresight of the great corporation in adopting the only plan that will bring its side of this controversy clearly and forcefully to the attention of all the people.

People of all classes read advertising, and they will read the advertising of the Bethlehem Company, and at the conclusion of the campaign millions of American citizens will have an accurate knowledge of the arguments upon which this concern bases its conclusion that the Government ought not to become its competitor in the manufacture of armor plate.

South Dakota

Sioux Falls Argus-Leader, March 23, 1916

OFFER BETTER THAN THREAT

An offer by the Bethlehem Steel Company to cut the price of armor plate $30 a ton has been made to the Government while the Tillman bill is pending to establish a Government armor-plate factory. This is much better than the threat to advance the price on Government requirements pending the time required to put the Government mill in commission.

* * *

[*We have made no threat to advance the price of armor pending the time required to put a Government plant in commission.*

Bethlehem Steel Company.]

Sioux Falls Argus-Leader, July 7, 1916
Bay City (Mich.) Tribune, July 11, 1916

PLAYING POLITICS

Unless Congress is playing politics with its Government armor plate factory, which will cost $11,000,000 to build, it will have to give some attention to the offer made to the Government by the Bethlehem Steel Company.

That company offers to manufacture armor plate for the Government at actual cost of operation, plus such charges for overhead expenses, interest and depreciation, as the Federal Trade Commission—a Government body—may fix.

The company agrees to do this for such period as the Government may designate. In other words the steel company offers to make armor plate for the Government at its own price and to make a contract for such length of time as the Government may elect.

If this proposition is being handled as a business matter, the offer of this company should be given careful investigation and probably should be accepted. If on the other hand, Congress is trying to make good campaign material, it ought to go ahead with its proposed Government plant.

Sioux Falls Argus-Leader, June 2, 1916

TAKING THE PUBLIC INTO ITS CONFIDENCE

The Bethlehem Steel Company has at last realized the importance of taking the public into its confidence and by the use of newspaper publicity, it is explaining to the people the exact situation in the armor plate field.

The company points out that the Government is its only customer for armor plate, and that it is willing to supply the Government with armor plate at its own price.

The company asks that it be regulated by a Government commission and its directors say the company is willing to supply armor plate to the Government at any price the Government may fix.

The movement for a Government armor plate factory may have gone too far to stop.

If not, it would seem to this newspaper good business to accept the Bethlehem proposition, keeping the Government factory in reserve until such time as its construction may be more needed than now.

It would seem to this newspaper good business to accept the Bethlehem proposition, keeping the Government factory in reserve until such time as its construction may be more needed than now.

—Sioux Falls Argus-Leader, June 2, 1916

Tennessee

Nashville Banner, April 27, 1916

THE ARMOR PLATE BILL

. . . As a rule, the Government can be better served by private enterprise than by a Government-owned plant. Experience has given ample proof that politics go so inevitably into any public undertaking as to impair its efficiency and increase expenses.

It would be practically impossible to put into a plant managed by Government employes and filled in all departments by men receiving appointment through political influence, that same compact organization, competency and operative efficiency shown in the plants of the great corporations.

. . . There is no sympathy wasted by the American public on "big business," but that feeling should not lead the Government to do anything to its own detriment, and there are grave reasons to doubt that the Senate bill providing for a Government armor plant is a wise one.

Jackson Sun, April 26, 1916

A CHANGE OF ATTITUDE

The Bethlehem Steel Company, the biggest manufacturer of armor plate in the United States, is sending out some pretty sound arguments against the establishment of a Government armor plant and seeking by the legitimate use of publicity to create friendly public sentiment in opposition to the establishment of the Government plant.

But it is a significant fact that the Bethlehem Company did not begin this appeal to public sentiment or make any effort to prove the soundness of its position until after the Senate passed a bill to construct an armor plant at a cost of $11,000,000. Before that time the Bethlehem Company was stiff necked and haughty. It threatened to raise the price of armor plate if such a bill was even introduced in Congress. It bluffed until it had but one card left. It threatened until the Senate took the dare and passed the bill.

Then there was a change in the attitude of the armor plate monopolists. The price of armor plate was reduced and further reductions were promised. The best lawyers and publicity men in the country were mobilized to make a fight against the passage of the bill in the House and to convince the people that the construction of a Government plant is unnecessary.

Most of the arguments made in the Bethlehem's propaganda are plausible. All of it may be absolutely true.

But Congress should proceed with the passage of the Government armor plate bill unless the steel trust will agree to a contract that carries a reasonable price for many years to come.

* * *

[*Our offer is to make armor at a price to be fixed by the Federal Trade Commission, and for any period which the Government itself may name.*

Bethlehem Steel Company.]

Memphis News-Scimitar, April 28, 1916

FAVORS PUBLICITY

The action of the Bethlehem Steel Company is certainly to be commended, because publicity and a placing of the facts before the people will permit of a fair and reasonable and a just solution of all controversies.

The great steel company admits its error, and it is to be commended for its prudence in changing its methods.

Texas

Galveston News, June 2, 1916

A SPIRIT OF RESENTMENT

. . . Now the likelihood of the erection of a Government plant looms large.

The Tillman bill appropriating $11,000,000 for this purpose has been attached to the naval appropriation bill as an amendment. It must be admitted that the Government has had ample provocation for adopting this policy.

The plea of the armor plate manufacturers that this action will destroy the value of their investment would be more persuasive if one could be free of the suspicion that they long ago recovered their investment in the excessive prices charged the Government. But although the Government has ample provocation, it is not so clear that it has equal reason for engaging in the manufacture of armor plate.

The legislation is prompted by a spirit of resentment, and while the resentment is abundantly justified, **resentment is oftener a foolish than a wise counselor.**

Galveston News

GOVERNMENT ARMOR PLATE MAKING

Even if the Government should be able to make armor plate as cheaply as Senator Tillman and a few others think, it would be a long time before the savings would amount to enough to repay the initial investment, which is to be, according to the pending naval bill, $11,000,000.

Also, since it will take two or three years to erect the armor-making plant and get it into working order, little or none of its product could be used in the pending three-year naval program. It should seem to be possible, therefore, that by the time we got our armor-making plant in working order we should no longer need its output; or at least not all of it.

For there is some reason to believe—and much for hoping—that when our navy shall have been enlarged to the size contemplated by the pending building program, the annual additions thereafter will not be great enough to keep an armor-plant mill running continually.

The assumption that the Government can make armor plate at less cost than the price at which Mr. Schwab now offers to supply it, is itself a hazardous one. **Possibly it can be demonstrated on paper that the Government can make it for less than Mr. Schwab's mill will charge, but it is doubtful if the demonstration can be made in any other way.**

Something like this argument was advanced to support the proposal to erect a Government gun-making factory. The argument prevailed and the gunmaking factory has long been in operation. But the expected economies have not been forthcoming.

The Government has found that it can buy guns cheaper than it can make them, chiefly for the reason that political influences have been allowed to determine the working conditions of the Government's shop.

There seems to be no doubt that Mr. Schwab's armor-making concern has been overcharging the Government for many years.

It probably deserves no sympathy. As a measure of resentment, the Tillman proposal would doubtless be abundantly justified.

But the gratification of such passions is not allowed to Congress in these matters. Its sole duty is to determine whether there is any likelihood of the Government being able to make armor plate at less than the price which Mr. Schwab now offers.

The legislation is prompted by a spirit of resentment, and while the resentment is abundantly justified, resentment is oftener a foolish than a wise counselor.

Galveston News, June 2, 1916

Vermont

Rutland Herald, April 4, 1916

GOVERNMENT ARMOR PLANT

. . . To a business man, nothing could be fairer than these proposals, and any business man knows that no Government-owned and politically operated Government armor plant can produce plate so cheaply as a private concern.

They may do so in Japan, where a thief would be simply tortured or beheaded offhand, but certainly not in the U. S. A.

Rutland News, July 31, 1916

DESIRABLE PRACTICE SUBSTITUTE FOR LOBBYING

. . . Whatever may be the merit of their arguments, the important fact about the whole business is that the great Bethlehem Steel Company chooses this method of getting at Congress. There was a time, not many years ago, when any corporation with a grievance to air or a favor to ask would operate secretly at the national capital, through paid lobbyists. Now the corporations appeal direct to the people, through the medium of the press. . . .

Virginia

Richmond Times-Dispatch, March 21, 1916

SAVING MONEY ON ARMOR

. . . There is much force in the contention that the Government should not go into the business of armor making unless forced to do so. A steel company has many irons, literally, in the fire, and when it is not making armor can use its plant and force for other purposes.

A factory conducted by the nation, for a restricted purpose, enjoys no such freedom of action.

It must make armor or permit the invested capital to become idle and unproductive, while its employes are thrown out of work.

If arrangements, along the general lines of the Bethlehem Company's proposition, can be made with all the steel companies and the interests of the Government amply and fully protected, it might be wise to abandon the plan to construct a Government plant.

Clifton Forge Review, June 16, 1910

GOVERNMENT ARMOR PLANT

The Staunton Daily Leader is right for once in opposing the expenditure of several million dollars for the erection and maintenance of an armor manufacturing plant.

Frequently here of late The Review has taken the position that it is a mistake for the Government to go into competition with private interests, but at no time have we been as emphatic as our Staunton contemporary.

In a late edition the Leader had this to say regarding the recent action of Congress with reference to an armor plate plant.

"Congress seems determined to build an armor plate plant, in spite of the fact that the Bethlehem Steel Company offers to make plate for the Government, and let the Government fix the price. . . .

Newport News-Press, April 11, 1916

FEDERAL ARMOR PLANT

If it be true, as charged by the Bethlehem Steel Company, that its large plant was erected at the request of the Federal Government, it would not be altogether honest for the Government to establish an armor manufacturing plant in competition to private interests. . .

. . . The Bethlehem Steel Company says that it has manufactured armor plate for the Government for more than a quarter of a century, and in a spirit of fairness the Company has issued the following statement and proposition that seems to us is all that could be asked. . .

"If the Government utilizes private plants to make its armor, it can exact conditions as to quality and obtain the benefit of economies, difficult if not impossible to realize in Government manufacture itself."

The above strikes us as being reasonably fair.

We hardly see how this corporation could do more than is pledged in its own words quoted above.

Congress will do well to consider all the facts and not act hastily in this matter.—Clifton Forge Review.

Norfolk Ledger-Despatch, April 14, 1916

ARMOR PLATE PLANT

The $11,000,000 can well be expended in a beneficial manner to the people, and it is not assured that the Government-owned plant could turn out better material, or to be operated so as to lessen the prices guaranteed by the Bethlehem Company. It might be well to accept the offer of the company for a period at least, and hold the Government plant for future consideration.

Roanoke World-News, April 11, 1916

ARMOR MAKING

In connection with the proposition to have the American Government manufacture armor plate for its warships, it is extremely interesting to note how aggressively some people want to push America into Socialism in actual practice, but proclaim in virid language utter opposition to Socialism as a theory or doctrine.

The list of enterprises which naturally belong to

Virginia—Continued

citizens and should originate and be conducted by citizens, but which have been and are being confiscated by Government, is growing larger every year. . .

We do not propose to defend armor plate manufacturers.

We know practically nothing of their methods or of the expense and profit accounts of their bookkeeping; but we do know that they have many millions invested in their plants and that these millions will be a total loss should Government decide to make armor plate for itself. . .

Staunton Leader, June 10, 1916

GOVERNMENT ARMOR PLATE PLANT

Congress seems determined to build an armor plate plant, in spite of the fact that the Bethlehem Steel Company offers to make plate for the Government, and let the Government fix the price. . .

. . . If these statements are not true, Congress ought to be able to show that they are not true.

If they are true, and we believe they are true, then it would seem like a reckless expenditure of the people's money to build a Government plant.

We venture the prediction the Government never will turn out a ton of first class armor plate at as low a cost as the price at which the three big companies are now selling this plate to the Government, for the reason that the public conduct of business in this country has always proved very costly.

Experience has shown that it is better to buy from private concerns than for the Government to do this own manufacturing.

Richmond News Leader, July 18, 1916

ARMOR PLATE AND CONGRESS

. . . How do we know that a Government plant, without experience, can make an armor that is as good as that which is the result of thirty years of practice? As a business proposition, as a public question, and as a plain common sense dealing with public funds and public welfare, there can be no question as to what Congress ought to do. If the object of the Government is to supply the people with the best service at the least money, to conserve the national wealth, to decrease national expenses and increase national efficiency, then by no possible reasoning can the proposal of the Bethlehem Steel Company be coldly turned down. . . .

Washington

Seattle Post-Intelligencer, April 11, 1916

BETHLEHEM'S OFFER

In view of the very frank and patriotic offers of the Bethlehem Steel Company to the Government of the United States, the adoption of the bill to appropriate $11,000,000 for a Government armor plate plant would appear to propose an unnecessary extravagance. . .

. . . The Bethlehem Steel Company is a responsible corporation, one of the strongest financially in this country, and the Government may safely make formal acceptance of its offer and devote the proposed $11,000,000 appropriation to some purpose more urgently necessary.

It is a business offer in concrete language.

Either the Government needs an armor plant or it does not, and the logic of existing circumstances indicates that it does not.

Seattle Post-Intelligencer, July 5, 1916

ANOTHER PRECEDENT

There is little doubt that Congress will stick to its determination to spend $11,000,000 in building an armor plate plant, for the express purpose of rendering valueless the existing plants, which were created for the sole purpose of furnishing the Government needed armor plate and rendering the United States independent of foreign countries. However, if the Democratic Congress does this it will follow one precedent which it set as soon as it came into power after the civil war.

When the country awakened to the fact that its navy had disappeared and that there was not a ship afloat of a modern type, it was faced with the difficulty that there was a plant in the United States equipped at the time to construct a modern warship of any description. Before a start could be made upon building a navy it was necessary to have plants capable of building warships.

John Roach, whose plant was the only one in the country capable of being equipped for the purpose, was invited to make tenders for the construction of a dispatch boat and three cruisers, the Atlanta, Boston and Chicago, the famous "white squadron." He built a plant for this purpose and constructed these vessels. One, the dispatch boat Dolphin, was completed and had a satisfactory trial trip. But the administration changed hands and Cleveland took office. His Secretary of the Navy, William C. Whitney, refused to accept the Dolphin and withheld payment for her. He decided that the contracts under which the other vessels were building would not hold and sought to cancel them, in the meantime witholding payments for the work already done.

Roach was compelled to make an assignment, and the great business which he had previously built up, before risking his fortune on the good faith of the United States, was nearly ruined. Within two years thereafter he died, never having recovered the shock of the broken contracts, which brought him to the verge of ruin and swept away most of the fortune which he had previously built up.

. . . The Bethlehem Steel Company is a responsible corporation, one of the strongest financially in this country, and the Government may safely make formal acceptance of its offer and devote the proposed $11,000,000 appropriation to some purpose more urgently necessary.

—Seattle Intelligencer
April 11, 1916

Washington—Continued

Tacoma Ledger, July 12, 1916

WHY NOT TAKE UP THE OFFER

The Bethlehem Steel Company, opposing the bill in Congress appropriating $11,000,000 to establish an armor plant, says: "Believing as we do in the fairness of the Government we offer to make armor for the United States Government at its own price."

Certainly a private industry can manufacture as cheaply as a Government-owned could. More cheaply, in all probability.

Why not take the steel company up on its offer and save the great risk of loss in an $11,000,000 venture in Government ownership?

Seattle Post-Intelligencer, July 20, 1916

THE COST OF ARMOR PLATE

. . . The national House of Representatives has passed the measure appropriating $11,000,000 for the construction of a Government plant for the manufacture of armor plate.

An amendment providing that books be so kept in connection with the plant as to show exactly how much armor plate costs when made by the Government was voted down.

In commenting on this action the Bethlehem Steel Company says: "Advocates of a Government plant expect to get armor cheaper. Why, then, refuse to look facts in the face?" The people, as the company asserts, are entitled to know the exact cost of the Government made product.

This demand for publicity should meet with public approval, even though it is made by a private concern that admittedly has an interest in preventing the Government from going into the armor plate business on its own account.

If the armor plate plant appropriation is to be approved by the Senate that body at least should insist upon the adoption of accounting methods showing whether the venture is wise from a commercial point of view. . . .

West Virginia

Wheeling News, April 5, 1916

A BUSINESS PROPOSITION

. . . There is no sentiment whatever involved in the armor plate question.

It is simply a business proposition.

Japan has a Government plant and her armor plate is costing her $490 a ton. It seems reasonable to assume that it would be impossible for the United States to produce armor plate in a Government plant at $395 a ton.

This could be determined by the investigation which the Bethlehem company has invited.

Then, if a Government plant would lose millions instead of effecting a saving, why build it?

Wheeling News, April 13, 1916

WHY NOT TAKE IT?

. . . It is claimed in some quarters that it is a "deathbed repentance."

Even if so, why should the Government not take advantage of the splendid opportunity and avoid the huge expense of an armor factory just at a time when every dollar of the nation's revenue is very badly needed for other purposes?

Wheeling News, April 18, 1916

THE ARMOR PLATE BILL

. . . Whether or not the Tillman bill was formulated as a "pork" measure it would certainly be an admirable instrument for "pork" purposes.

The big point is that the offer of the armor plate men to furnish plate for five years at a low price has removed the excuse for a Government plant.

Wheeling News, July 8, 1916

AN OBJECT LESSON

Government ownership has often been brought before the American people. The most recent instance was the measure establishing a Government armor plate plant, when facilities already existed for making all the armor we were likely by any stretch of the imagination to use, and in the face of an offer by the largest of the armor making companies to make armor at cost for the United States Government and to let the Government itself determine the cost. . . .

WHY NOT TAKE IT?

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Even if so, why should the Government not take advantage of the splendid opportunity and avoid the huge expense of an armor factory just at a time when every dollar of the nation's revenue is very badly needed for other purposes?

—Wheeling News
April 13, 1916

Wisconsin

Milwaukee Wisconsin, March 31, 1916

A COSTLY EXPERIMENT

The Bethlehem Steel Company has presented an offer to make armor for the United States at a price the Government itself shall name as fair.

The investment of eleven million dollars in the construction of a Government plant to manufacture armor would involve the objections that attach to all schemes of Government ownership.

Broaching that plan has had the effect of bringing down the prices at which private concerns offer to make the armor, and

Undoubtedly it would be good business policy for Congress to avoid costly experiment of establishing a Government plant.

Madison Democrat, June 9, 1916

"THE DANGER OF SILENCE"

The Bethlehem Steel Company has entered upon a campaign of newspaper advertising which is epoch-making.

Display advertising space is being utilized in a list of 3,500 newspapers.

The purpose is to present to the whole American people the case of the Bethlehem Company in regard to the proposed establishment of a Government armor plant. . . .

. . . Having what appears to be an unanswerable case, the Bethlehem Steel Company is taking that case direct to the people of the country.

It is "laying its cards on the table," submitting the facts without evasion or indirection; and unless it should prove that this action has been taken too late, it should win. . . .

Milwaukee Leader, May 25, 1916

SCHWAB'S CONFESSION

The Bethlehem Steel Company has suffered in silence.

It has been accused of gouging the Government.

It has had to bear the odium of Carnegie's blow holes.

It has been condemned for its lack of patriotism in selling armor plate cheaper to Russia than it has sold it to the U. S. A.

Congress, moved by the growing clamor, has voted for a Government armor-plate factory. It is the straw that has broken the back of Bethlehem's patience. It has spoken out. From now on it is going to be heard. It will advertise.

It is going to show the press and the public that it is a good corporation. It has already shown the pulpit. There is no finer church in the country than the church that Schwab built at Bethlehem in pious recognition of the Prince of Peace.

Mr. Schwab is engaged in the munitions industry. It is not his purpose to decry or depreciate his own business. But he is not insensible to the power of the press. The pen is mightier than the sword. A well timed advertisement speaks louder than a 42-centimeter gun.

We have an idea that the Bethlehem Steel Company will find that advertising pays. There has been a lot of thoughtless, Socialistic agitation in the press in favor of Government munitions plants.

Many citizens have been led to believe that if the profit could be taken out of munitions, the incentive to large armaments and even to war would be appreciably diminished.

It is an error which the conservative and respectable newspapers, which are essentially patriotic, should be able to dispel.

Wisconsin—Continued

Milwaukee Wisconsin, July 22, 1916

THE NAVAL APPROPRIATION BILL

. . . There are features of the bill that thousands who favor a powerful navy will look upon as distinctly vicious and dangerous departures. This is especially true of the provision of eleven million dollars for the construction of a Government armor plate plant.

This will lead to greater expense, and in fact marks a beginning whose end no one can foresee. Every citizen capable of cool judgment will realize that thousands of dollars could be saved to the Government by buying armor plate from the Bethlehem Steel Company and other concerns already equipped for the manufacture instead of going into the expensive business of putting up a plant and undertaking the experiment of making armor plate for itself.

This is peculiarly a time when Congress should avoid clap-trap and extravagance and when every dollar of the people's money that can be saved will be needed. . . .

Fond du Lac Reporter, July 6, 1916

The House of Representatives some time ago rejected the plan to empower the Federal Trade Commission to determine a fair price for armor and allow private manufacturers the opportunity to meet that price before a Government armor plant was built.

The original plan is now before the Senate.

Therefore the offer of the Bethlehem Steel Company is not only timely, but of unusual interest to the people of the nation.

The Bethlehem Company offers to manufacture armor plate for the Government at the actual cost of operation plus such charges for overhead expenses, interest and depreciation as the Federal Trade Commission may fix.

It makes this offer for such period of time as the Government may designate.

Just what action the national legislators will finally take in the matter will be watched with interest, but **certainly it must be admitted that the offer of the Bethlehem Company deserves consideration by reason of its very fairness.**

Milwaukee Wisconsin, July 29, 1916

PATERNALISTIC FOLLY EXPOSED

. . . These reasons why the Government should not go into the business of building an armor plate plant are strong enough in themselves, but the Bethlehem Steel Company advances another. It offers to open its books to the Federal Trade Commission and to put its experience, its facilities and its economies at the service of the nation for the manufacture of armor plate upon such terms as the Government itself shall name as fair.

Under there circumstances the proposal to establish a government owned and operated plant for the manufacture of armor plate is preposterous. The scheme should be headed off.

> **. . . Under these circumstances the proposal to establish a Government owned and operated plant for the manufacture of armor plate is preposterous. The scheme should be headed off.**
>
> *—Milwaukee Wisconsin*
> *July 29, 1911*

National

The Outlook, June 14, 1916

A GOVERNMENT ARMOR PLANT

The great blot upon the Naval Bill is the provision for the construction of a Government armor plate plant to cost $11,000,000.

The armor plant question ought not to be confused with the question of the increase of our naval strength.

If the Senate and House are in favor of a Government armor plant, let them say so in a separate bill so that the President can veto it.

. . . We may also remember that all the great naval powers (with the exception of Japan, where there was never a private armor industry) have utilized private rather than Government industries for this product. The reasons for this are plain.

If the Government utilizes private plants to make its armor, it can exact conditions as to quality and obtain the benefit of certain economies difficult to realize in Government manufacture itself.

More particularly, Government manufacture means one sub-department of the Government contracting with another, with no efficient means to enforce contracts as regards time of delivery.

It is also more economical to operate an armor plant in connection with a commercial steel plant.

Finally, the army of experts now at work in our private plants should not be discriminated against.

The remedy for the evils of armor plate-making lies, as in the case of railway administration, not in Government ownership but in efficient Government regulation.

Printers Ink, New York, April 6, 1916

BETHLEHEM STEEL'S "STATEMENTS TO CONGRESS"

. . . Thus another representative of "big business" signifies its belief that it is better to thrash out public questions in the open than to rely wholly upon the subtleties of the professional lobbyist.

We do not doubt that the statements of the Bethlehem Steel Company will be characterized as an "insidious attempt to undermine public opinion" but public opinion can pretty safely be trusted to judge in the long run whether it is being exploited or not.

One thing is absolutely certain: the public is more inclined to trust the concern which makes its claims public than the one which appears mainly desirous to keep them under cover. . . .

> There will be no cost-keeping in the new plant, by order of Congress.
>
> *—Mining Journal, El Paso, Texas, April 11, 1916*

National—Continued

Advertising Age, Chicago, June, 1916

TRUST THE PEOPLE

One by one the big corporations are taking the public into their confidence by placing their troubles, aims and policies before them by advertising.

They have found that secrecy breeds distrust and publicity confidence.

To take the wind out of the sails of demagogs and office hunters, publicity has worked wonders.

Since it has started, public antagonism against corporations has ceased and the public, always inclined to be fair, has become interested in the efficiency methods practiced by corporations.

The latest convert to the beneficial aspects of publicity is the Bethlehem Steel Company. It has a plant for manufacturing armor plate in which it has invested $7,000,000.

If the plan of Congress to build a Government plant for making armor plate materializes, the plant of the Bethlehem Steel Company would become worthless.

To combat this plan, the company, in a series of ads now running in a number of big newspapers, proves that it is selling to the Government armor plate at lower prices than paid by any one of the great powers of the Old World, and there is no reason for our Government to build its own plant at a cost of $11,000,000.

To head off those who may claim that the company would at once raise the price and skin the Government as soon as the plan to erect a Government armor plant should be dropped, the company offers to have for any length of time, the prices fixed by the Federal Trade Commission, a Government institution.

What fairer offer can a business concern make? The talk of the Company is plain and convincing. It does not try to play the role of a public benefactor.

It states that it is trying to save and preserve its investment in the $7,000,000 armor plate plant it now owns and is willing to make sacrifices in this regard.

About twenty-five years ago President Grover Cleveland uttered the advice—"Trust the people." It took our big corporations quite a long time to appreciate and practice this advice of a plain, honest and far-seeing president.

Editor and Publisher, New York, May 27, 1916

"THE DANGER OF SILENCE"

. . . Having what appears to be an unanswerable case, the Bethlehem Steel Company is taking that case direct to the people of the country.

It is "laying its cards on the table," submitting the facts without evasion or indirection; and unless it should prove that this action has been taken too late, it should win.

The most important phase of this matter is in the belated decision by a great corporation that a policy of secrecy is disastrous.

Silence on the part of a corporation, when its interests are at stake, and when a business principle of fundamental importance is at stake, denotes a fear to meet the issue in the open.

Corporations generally will recognize, in this sensational action of the Bethlehem Company, the opportunity open to them for trying their cases before a jury of the whole people—and as this method gains adherents the necessity for

The remedy for the evils of armor plate-making lies, as in the case of railway administration, not in Government ownership but in efficient Government regulation.

—The Outlook, June 14, 1916

National—Continued

lobbyists at Washington and at State capitals, of corruption funds and of intrigue, will vanish.

Thus the policy of publicity now adopted by Mr. Schwab will have a revolutionary effect. Win or lose, so far as this present issue is concerned, he will have established a precedent which must rule with "big business" in the future—that of working with, not against, public opinion.

"The day of the clear light" seems less of a vision because of this significant event.

Editor and Publisher, New York, July 8, 1916

The Bethlehem Steel Company keeps at it. Their advertisements, setting forth the facts of the armor-plate situation, are logical, hard-hitting and winning. If the campaign had been started a few months earlier there would be no doubt whatever of the result upon Congress.

Electric Railway Journal, April 8, 1916

ANOTHER CONVERT TO PUBLICITY

With the beginning of hearings in Congress on the bill passed by the Senate to provide for a Government armor plate plant comes the announcement that the Bethlehem Steel Company will conduct a publicity campaign for the purpose of laying the merits, or demerits, of this proposition before the country.

The formal announcement to this effect says that "In order that all concerned may have the clearest, most concrete and definite information this company can give on this question, so important both to the nation and to itself, the Bethlehem Steel Company will issue a series of statements to Congress.

Copies will be supplied to the press, to public officials and to anyone interested."

The first of these statements is headed "Why Should Government Money be Spent for an Armor Factory?" and deals with two possible reasons for such an expenditure; namely, the insufficiency of existing plants and the possibility that the Government could produce armor at a lower price than must be paid to private corporations.

Other bulletins show that even if the Government should immediately begin an armor plant it would not be turning out armor for three or four years, and when the campaign is completed the public will have before it, plainly and tersely stated, all the information and arguments that an intelligent man should have to enable him to make up his mind whether or not he would vote for a Government armor plant.

It is evident from these bulletins that the company is following a carefully thought-out policy, the execution of which is in expert hands.

This was also evident from the distribution of and press comment on the remarks regarding armor plate in the company's recently issued annual report, and the statements of the company's officials.

Iron Age, New York, April 6, 1916

LOW-PRICED OR DEAR ARMOR PLATE?

. . . The only answer the Secretary of the Navy has made to the proposal that the manufacturers will supply armor plate at whatever price the Government itself shall name as fair is that he is "afraid of the 'Greeks bearing gifts.' "

In other words, he would have the Government enter upon armor plate manufacture, no matter what the cost, and in so doing destroy the values represented in plants whose estimated cost is $20,000,000.

Government-built battleships cost more than those built in private yards.

Government-made armor plate may cost $600, $800, $1,000 a ton—all depending upon the political necessities the Government plant is called on to satisfy and the rapidity with which it is turned into a labor union paradise.

As the issue is not drawn, Congress has to choose between paying a low price or a high price for the Government's armor plate. Signs are not wanting that members of the House Naval Committee see the question thus clear cut, in spite of some very strenuous efforts to befog it.

National—Continued

Iron Trade and Metal Market Review
Cleveland, Ohio, June 7, 1916

PUBLICITY AND THE LACK OF IT

Paradoxical as it may seem, publicity and the lack of it explains why Congress has passed legislation providing for a Government-owned armor plant.

By their constant muck raking and their mischievous misrepresentations, spread wide and far over a long period, ignorant and designing men combined their efforts and convinced many honest people that armor plate makers were charging the Government too much money for their product.

The people were led to believe that the only solution was through the building of a Government-owned armor plant.

That, in brief, is one angle to the part publicity has played in the Government-owned armor plate plant legislation—the part of vicious spreading of cleverly concocted falsehoods.

During all of the long years of attack made upon them, armor plate makers remained silent, except within the past few months, when the Bethlehem Steel Company raised its voice and began a publicity campaign, defending the manufacturer ably, and in a dignified manner.

But the defense came too late to prevent enactment of legislation favoring a Government-owned armor plate plant.

The people into whose ears had been dinned the campaign of muck raking had become thoroughly inoculated with the misformation constantly spread before them.

Many representatives and senators in Congress, some of whom knew the attacks made upon the armor manufacturers were based upon falsehoods, voted for the erection of a Government plant simply because they thought it good politics to do so.

They realize it is a foolish project, and a dangerous one. Perhaps they share the belief and hope that Secretary Daniels will never authorize the construction of a Government armor plant. . .

Mining Journal, El Paso, Texas, April 22, 1916

THE ARMOR-PLATE NONSENSE

Apparently the bill for the creation of a Government armor-plate plant is going to be passed by Congress.

It will then become a law, for it is an administration measure.

There will be no cost-keeping in the new plant, by order of Congress.

It would not do to let the taxpayers know that armor plate made by the Government may cost more than for what private concerns offered to supply it.

The upshot of the matter will be therefore that the Government will spend $11,000,000 for a duplication of existing plant.

This is simply throwing away money. On the other hand, the plan for a Government nitrogen plant, which would not duplicate anything, does not seem to be meeting with favor.

When Congress undertakes to do its own engineering, it usually makes a mess of things.

In the present case it is making a mess of things in a scandalous way.

Financial World, New York, April 29, 1916

BETHLEHEM STEEL'S PUBLICITY CAMPAIGN

If the power of the printed word is able to show up the alleged error in the Senate's bill to build a Government plant for the production of armor plate, the president and the chairman of the Bethlehem Steel Company will feel they have made a good investment with the money they are spending in the Washington newspapers on publicity and which is meant to influence the members of Congress.

These announcements do not conceal their anxiety, but are frankly outspoken.

They assert their purpose is to save an investment of over $7,000,000 their company has put into armor plants.

They contend this sum was invested in the firm belief that the business would remain free from any Government competition.

National—Continued

. . . The strongest argument in the company's publicity campaign is its willingness to have a Congressional Committee investigate the cost of making plate and then fix a fair margin for profit which the company would promptly accept.

This last proffer is deserving of serious consideration by Congress before binding the nation to an expenditure of $11,000,000 for the erection of a plant whose success would be dependent upon what now appears would be a mere experiment.

Railway Age Gazette, New York, May 12, 1916

GOVERNMENT OWNERSHIP OF EVERYTHING

The socialists and near-socialists count that day lost whose low descending sun views no new proposal for Government ownership of something. They are now advocating Government construction and operation of a plant to make armor plate for war vessels.

The argument is that this is necessary to prevent private manufacturers, such as the Bethlehem Steel Company, from overcharging the Government.

Does anybody contend that a Government plant would make armor plate cheaper than plants owned by corporations? Nobody who is in his right senses.

The proposition is, in effect, that the Government shall deliberately lose money in runing a factory of its own, in order to prevent private capitalists from making too much money.

Government ownership of railroads; of telegraphs and telephones; of steamships; of munitions factories; of coal mines—these are a few of the projects which recently have been seriously broached in Congress. Recently a Kansas educator, who is fully imbued with the spirit of the age, advocated Government ownership and management of the moving picture industry.

And, meantime everybody is unanimously denouncing the Government for the "pork barrel," for not adopting and carrying out a satisfactory program of preparedness, and for general all-around incompetency and cussedness.

How logical we are! The worse the politicians do the jobs we have given them the more we want to intrust them to do! They mismanage the post-office department; therefore, we should turn the railroads over to them. They waste millions on waterways; therefore we should give them a chance to waste our money on Government owned ships.

They mismanage the navy yards; therefore, we should give them armor plate factories to add to the "pork" barrel.

Ohio Valley Trades Review, June, 1916

AGAINST GOVERNMENT PLANTS

The Bethlehem Steel Company has inaugurated a publicity campaign, the object of which is to correct the evident misapprehension of fact which is being spread throughout the country by the advocates of a Government-owned armor plant.

The Trades Review is firmly of the opinion that this country, with its vast undeveloped natural resources, is not ready for Government ownership on anything like a pretentious scale.

The system probably may be said to work well enough, insofar as it relates to municipal ownership of certain plants whose service is wholly local, but the Government never has shown, to any considerably convincing degree, that it is able to accomplish the same end more cheaply than the private corporation can do it.

What People Are Thinking—Editorial Comment

National—Continued

American Banker, New York, July 15, 1916

BETHLEHEM STEEL PLANT'S PROPOSITION

It may be asked whether there could be a more reasonable proposition than this. Would it not be wise for the Government authorities to look into the question and ascertain exactly what the Bethlehem Company can and will do in the matter of armor plate?

Without making a positive statement it may be pointed out that the company has made out a case of reasonable doubt. It is perhaps just possible that it might be cheaper to get armor plate from this concern than to spend more than $11,000,000 in the erection of an independent plant.

All this money must be expended before the Government can begin to manufacture armor plate, and surely the cost of maintaining and operating such a plant would be worth considering.

It is easy for Congressmen to indulge in specious arguments in favor of the contrary, but speeches count for little by the side of definite and indisputable figures on the books of the Company and a comparison with these figures with those of the Government experts.

There is no disputing the statement of the offer of the company to produce armor plate for the same price as the Government can produce it for itself without spending $11,000,000 or any other sum in erecting a plant of this kind.

Editor and Publisher, New York, July 29, 1916

DAWN

. . . The course of this great corporation in this matter is a blow to the system of "invisible government."

It is a presage of the dawn.

Manufacturers' News, Chicago, July 20, 1916

PORCINE PLANT

. . . A Government armor plate plant is not needed. It would be an expensive porcine proposition. It would weaken our national defense by putting out of business our efficiently managed private armor plate factories. . . .

Editor and Publisher, New York, July 22, 1916

PUBLICITY TO SUPPLANT LOBBY

. . . Lobbies have recently become persona non grata with Congressmen and Senators, and publicity such as is practiced by the Bethlehem Steel Company is considered quite as effective as the lobbies of the past. . . .

Army and Navy Journal, July 29, 1916

THE QUESTION OF AN ARMOR FACTORY

. . . This in response, in large extent, to the demands of ignorant prejudice and heedless of the fact that the most expensive way of supplying the needs of the Government is by the employment of public funds under the direction of officials selected by our system of political promotion, in competition with capital controlled by financial and industrial knowledge and experience of the highest order.

The latest illustration of this folly is in the attempt to drive out of business the manufactureres of armor plate, of which we stand in such immediate need, by delaying its purchase until the Navy Department can build and equip an armor plate factory costing not less than $15,000,000 at present prices, and probably much more, instead of the $11,000,000 it is proposed to appropriate.

To show the folly of this policy the Bethlehem Steel Company have undertaken a campaign of public education, the result of which, as we are glad to see, has been to convince a majority of our contemporaries of the press of the soundness of the views of public policy we have so long insisted upon. . . .

. . . Whatever the conclusions of Congress in this matter, we wish to put ourselves on record, leaving the future to decide between us and the advocates of Government monopoly. . . .

Our Case In Brief

We have sought to bring the case we have attempted to make against a Government armor plant to the attention of the people and the people's representatives in Congress in the form of statements to Congressional Committees, reports to our own stockholders, public statements to members of Congress, and advertisements published in newspapers throughout the United States.

The case in brief is this:

Things Not True

1. **It is not true** that we have threatened to raise the price of armor if the Government plant is authorized.

2. **It is not true** that we have made a policy of selling armor abroad cheaper than in this country.

3. **It is not true** that we have refused to show our books to the Government.

4. **It is not true** that manufacturers have combined to suppress competition; the Government's own policy has prevented competition.

5. **It is not true** that we have charged excessive prices for armor.

Things True

1. This country has the best armor in the world.

2. This country has **for twenty years** paid less for armor than any of the great naval powers.

3. By encouraging the maintenance of a private armor-making capacity in excess of the ordinary requirements of the Government, an important reserve factor in case of need is assured.

To Sum Up

No matter what may be said on these or other less important points,

We offer to make armor for the United States—

Of a **quality** to be determined by the Navy Department, and

At a **price** to be fixed by the Federal Trade Commission.

Why then **waste** $11,000,000 of the people's money—

When the lessons of the war are still to be learned;

When Government expenses are already so enormous; and

When no real inquiry has been made to ascertain whether or not the Government would not actually lose money through a Government plant.

We feel that our case is a sound one. At any rate we have presented to the Government as fair and businesslike a proposition as we know how to phrase.

Bethlehem Steel Company

CHAS. M. SCHWAB, Chairman
EUGENE G. GRACE, President

END OF
TITLE